

THE EAST AFRICA TRADE HUB



ANNUAL PROGRESS REPORT

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ANNUAL PROGRESS REPORT – FY 2013

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(Note – a comprehensive indicator report can be found in the stand alone EATH FY13 Annual Performance Monitoring Report)

Acronyms

ACTESA	Alliance for Commodity Trade in East and Southern Africa
ACTIF	African Cotton Textile & Industries Federation
ACE	Agricultural Commodity Exchange
AFCA	African Fine Coffees Association
AGOA	African Growth and Opportunity Act
AGMARK	Agricultural Market Development Trust
ATAB	Agro-Dealer Trade Across Borders
ATI	African Trade Insurance Agency
AWEP	African Women's Entrepreneurship Program
BEAM	Border Efficiency Assessment Methodology
CAWEE	Center for African Women Economic Empowerment
CBM	Coordinated Border Management
CISMM	COMPETE Institutional Sustainability Maturity Model
CMA	Cereal Millers Association
COMESA	Common Market of East and Southern Africa
COMPETE	Competitiveness and Trade Expansion Program
COPE	Center of Phytosanitary Excellence
CQI	Coffee Quality Institute
CTA	Cotton, Textile, Apparel
DBPI	Domestic Border Post Integration
DFID	(UK) Department for International Development
DRC	Democratic Republic of the Congo
EA	East Africa
EAC	East African Community

EACCMMA	EAC Customs Management Act
EAGC	Eastern Africa Grain Council
EA HCV	East Africa Heavy Commercial Vehicle
EAPIC	East Africa Phytosanitary Information Committee
EATH	East Africa Trade Hub
ECA	East and Central Africa
ELIA	Ethiopia Leather Industry Association
EPA	Economic Partnership Agreement
EU	European Union
FBO	Farmer Based Organization
FEAFFA	Federation of East African Freight Forwarders Associations
FESARTA	Federation of East and Southern African Road Transport Associations
FFA	Freight Forwarding Agent
FIATA	International Federation of Freight Forwarders Association
FSNP	Food Security Nutrition Policy
FSNWG	Food Security and Nutrition Working Group
FTA	Free Trade Area
FtF	Feed the Future
FY	Fiscal Year
HCV	Heavy Commercial Vehicle
HS	Harmonized System
IBM	Integrated Border Management
INVC	Integrating Nutrition in Value Chains
IOM	International Organization for Migration
JBC	Joint Border Committee

JICA	Japanese International Cooperation Agency
KCoST	Kyela College of Skills and Technology
KEPHIS	Kenya Plant Health Inspection Agency
KRA	Kenya Revenue Authority
KSC	Kenya Shippers Council
KTA	Kenya Transport Association
LCD	Local Capacity Development
LOC	Letter of Credit
M&E	Monitoring and Evaluation
MIS	Market Information System
MOU	Memorandum of Understanding
NDP	National Development Plan
NFBSC	National Food Balance Sheet Committee
NGO	Non-Governmental Organization
NPPO	National Plant Protection Organization
NPWG	National Phytosanitary Working Group
OSBP	One Stop Border Post
PIMS	Pest Information Management System
PIR	Project Intermediate Result
PRA	Pest Risk Analysis
RADDEx	Revenue Authorities Digital Data Exchange
RAME	Regional Africa Middle East
RATIN	Regional Agriculture Trade Intelligence Network
REC	Regional Economic Community
REGI	Regional Economic Growth and Integration

RFBS	Regional Food Balance Sheet
ROO	Rules of Origin
RRA	Rwanda Revenue Authority
RTA	Regional Trade Association
RTMS/CCS	Real Time Monitoring System/Cargo Control System
RTVT	Real-Time Volume Tracking
RUDI	Rural Urban Development Initiative
SADC	Southern African Development Community
SATH	Southern Africa Trade Hub
SCO	Simplified Certificate of Origin
SCEA	Shipper Council of East Africa
SME	Small and Medium Sized Enterprises
SPS	Sanitary and Phytosanitary
STS	Structured Trading System
SWRW	Safe Way Right Way
TANTRADE	Tanzania Trade and Investment Authority
TEU	Twenty Tons Equivalent Unit
THD	Trade Helpdesk
TIFA	Trade and Investment Framework Agreement
TMEA	Trademark East Africa
TMSA	Trademark South Africa
ToH	Taste of Harvest
TOR	Terms of Reference
ToT	Training of Trainers
USAID	United States Agency for International Development

USC	Uganda Shippers Council
USD	United States Dollars
USG	United States Government
WCO	World Customs Organization
WFP	World Food Program
WTO	World Trade Organization
ZAMACE	Zambia Agricultural Commodities Exchange

Introduction

This document is the FY13 annual report of the regional United States Agency for International Development (USAID) East Africa Trade Hub (EATH), formerly the Competitiveness and Trade Expansion (COMPETE) program, covering the period October 1, 2012 through September 30, 2013. The program was launched in FY09 and, after modification the project is scheduled to end on February 28, 2014. EATH employs an integrated approach to advancing trade and economic growth and ensuring food security in East Africa. The approach is based on the premise that regional integration is a key driver to fostering competitive and efficient regional markets and increasing the competitiveness of East Africa globally. Regional integration makes it easier to shift staple foods from areas of surplus to areas of deficit, increasing availability and food security.

EATH focuses on helping regional public and private sector partners to implement policies, regulations, procedures, and systems to increase regional trade and enhance exports under the African Growth and Opportunity Act (AGOA). EATH's partners include:

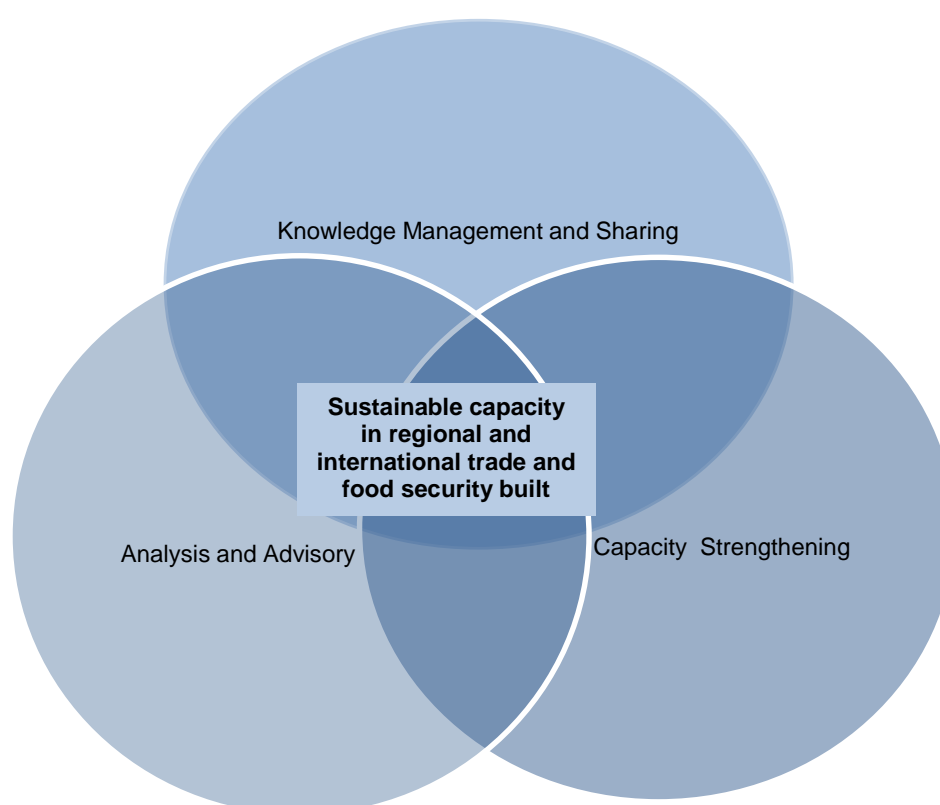
1. Regional economic communities, principally the East Africa Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), including its specialized agency, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA).
2. Regional trade associations such as the Eastern Africa Grain Council (EAGC), the African Cotton & Textile Industries Federation (ACTIF), and the Federation of East African Freight Forwarders Associations (FEAFFA).
3. Regional banks and financial institutions such as College of Insurance and Kenya School of Monetary Studies.
4. Other African private sector organizations and Non-Governmental Organizations (NGOs) such as the Africa Trade Insurance Agency, the Agricultural Market Development Trust, the Center for African Women Economic Empowerment, the Coffee Quality Institute, and the Kyela College of Skills and Technology.

EATH's vision is *to build sustainable capacity for competitive regional and international trade and food security.*

Implementation framework. To ensure clarity among the team, USAID and partners, the conceptual framework for this vision entails working in three integrated areas, as shown in the exhibit and described below, each reinforcing and contributing to the other two.

1. *Analysis and advisory support.* EATH undertakes analyses of issues and approaches, distilling needed information — including data analysis, policy constraints and recommendations, or lessons learned in a particular technical area or approach. These analyses and related advisory support feed into knowledge sharing and capacity building efforts. A good example of this is the recent analytical work on staple foods trade bans that are being used to establish EAC policy among member states.
2. *Capacity strengthening.* Strengthening institutional capacity is one of the greatest challenges USAID faces as it fulfills its mandate and is at the core of EATH's work. Our

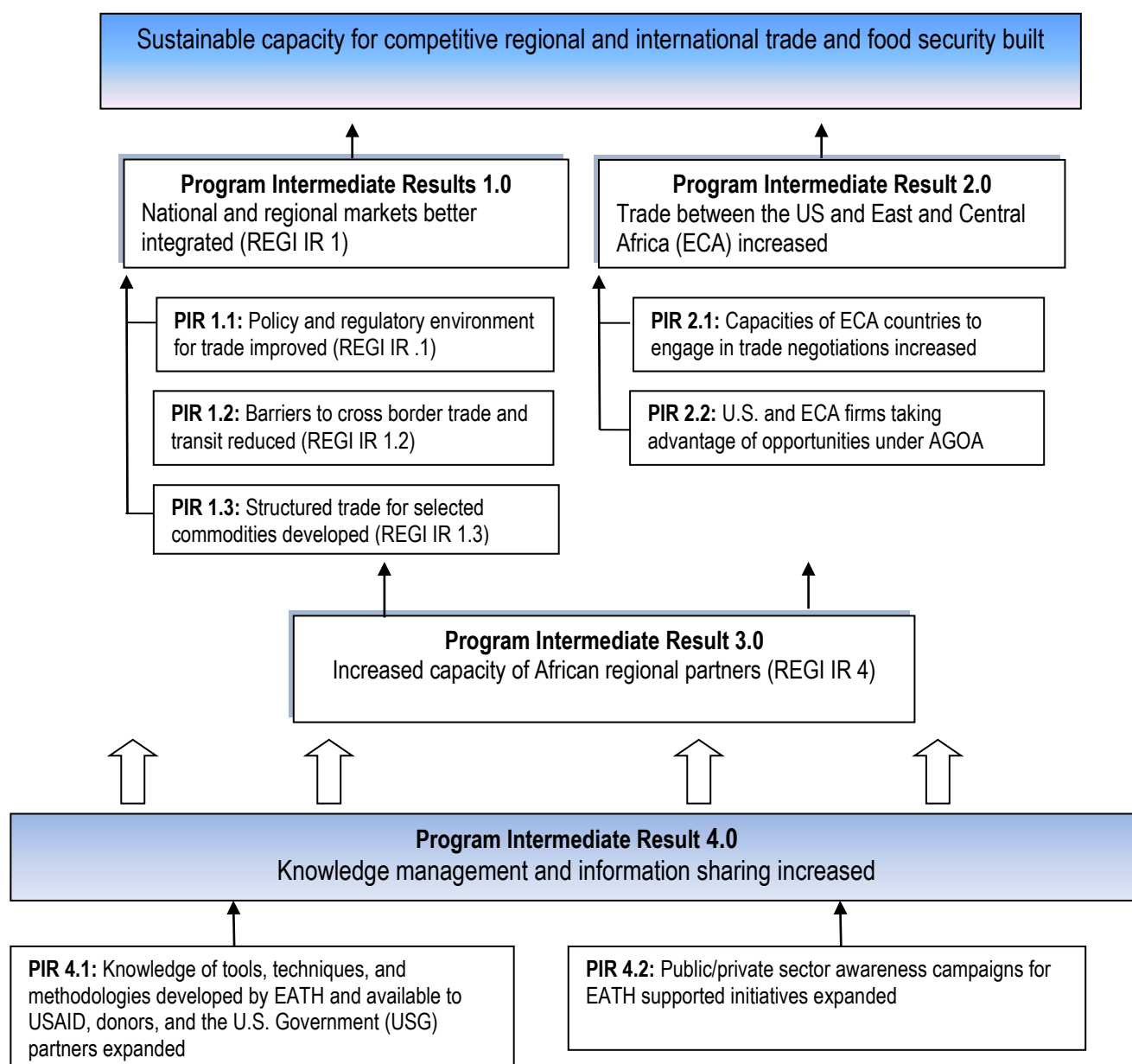
partners face a range of challenges as they struggle to thrive in complex economic, political, and social environments — constrained by policies, bureaucracy, and limited human and other resources. EATH’s job is to build partner organizations’ capacity so that they overcome these challenges and provide quality services and products. Activities take the form of training, mentoring, and guidance that builds both technical and organizational capacity. Critical to this effort is the COMPETE Institutional Sustainability Maturity Model (CISMM), a well-established organizational assessment tool that identifies and tracks the technical and organizational capacity needs of key partners — including EAGC, ACTIF, and FEAFFA — with the aim of preparing selected partners for direct support from USAID.



3. *Knowledge management and sharing.* Knowledge management and sharing is vital to connect USAID staff, EATH’s partners and beneficiaries, and the development community with information that will help them work smarter to accomplish their missions. Knowledge management and sharing entails promoting best practices and lessons learned, enriching collaborative partnerships, and assisting in decision-making through research and information sharing. EATH has moved from an ad hoc to a more systemic approach of disseminating knowledge products and services to a diverse global audience. EATH’s Knowledge Center is located on www.eatradehub.org.

EATH is managed by the USAID/East Africa (EA) Regional Economic Growth and Integration Office (REGI). EATH’s results framework is aligned with that of USAID/EA/REGI. Activities and tasks contribute to REGI’s results framework and most of the USAID/EA Feed the Future (FtF) Strategy results framework. For this reason, the work plan is organized by the results framework depicted below.

Figure 1. EATH Results Framework



EATH uses an array of *analysis and advisory services, capacity strengthening initiatives, and knowledge management and sharing* products and services to implement activities and tasks designed to achieve its overall program goal of building sustainable capacity for competitive regional and international trade and food security. EATH primarily contributes to [*Program Intermediate Result \(PIR\) 1: National and regional markets better integrated*](#), however key initiatives are undertaken under [*PIR 2.0 Trade between the US and ECA increased*](#). For instance, the majority of tasks under USAID’s Partnership for Trade Facilitation project for Rwanda contribute to [*PIR 2.1: Capacities of ECA Countries to engage in trade negotiations increased*](#). In addition, under [*PIR 2.2: U.S. and ECA firms taking advantage of opportunities under AGOA increased*](#), our AGOA-related work is carried out through the contract-defined component, the ECA Trade Hub.

On a cross-cutting basis, EATH works with key partners to strengthen their technical and institutional capacity so that they may contribute to the PIRs long after our program has closed. In fact, it is rare for EATH to undertake a task without collaborating with a local or regional partner. Depending on the task and desired result, we engage partners through grants or subcontracts under a \$24 million Partnership Fund. Additional detail on how we increase the capacity of our partners can be found under [*PIR 3.0: Increased capacity of African regional partners*](#).

Lastly, we have created a new [*PIR 4.0 Knowledge management and information sharing increased*](#) as part of our knowledge management strategy that will foster sustainability of activities and institutional change. Under this PIR, we will solidify and document gains, and disseminate analysis, lessons learned, and information to a wide range of audiences.

During the final year, EATH will make a coordinated effort among the knowledge management and technical teams to ensure that the benefits and opportunities presented by our project deliverables and knowledge management products will be fully available to all stakeholders to further expand EATH's impact.

FY 13 Highlights

EATH expended \$12,959,036 million United States Dollars (USD) in FY13. The intermediate results below highlight progress made and the impact of that progress.

PIR 1.0 National and Regional Markets Better Integrated

PIR 1.1 Policy and Regulatory Environment for Trade Improved

1. EATH supported the roll out and implementation of the Revenue Authorities Digital Data Exchange (RADDEx) 2.0 throughout the EAC. RADDEx 2.0 saves businesses and governments time and money by shortening cargo processing times and reducing the number of officials needed to process cargo. Based on a Corridor Diagnostic Study estimate and the number of trucks that pass through the Malaba border, RADDEx could save businesses that use the Malaba border approximately USD \$50 million each year. Key achievements during the year included the official launch of RADDEx 2.0 at the EAC Heads of State Summit on November 28, 2012, providing support to the Burundi, Rwanda and Uganda Revenue Authorities to transition from ASYCUDA ++ to ASYCUDA World while maintaining the RADDEx system, and the introduction of a Transit Bond cancellation feature that jointly notifies the revenue authority and clearing agent on the exit status of a declaration streamlining a process that used to take weeks to a single day.
2. EATH helped the EAC to update and revise its *Working Document for the EAC Working Group on Food Security and Nutrition Policy*. The document provides a situational analysis of the current status of food security and nutrition policies in each of the EAC Partner States. The working group is charged with developing the Food Security and Nutrition Policy (FSNP) as a core contribution to the implementation of the EAC Food Security and Nutrition Action Plan. This document will entrench a nutrition agenda in EAC intra-regional trade creating opportunity for nutrition-led trade policies
3. EATH conducted research and analysis of issues affecting East African trade including impact of changes to the EAC Customs Management Act, regional recognition of

EATH by the Numbers (Life of Project Results FY 09 – FY13)

26 policies, regulations, and administrative procedures in development, passed, or being implemented

19 customs harmonization procedures

16 Joint Border Committees established

8 borders with efficiency metrics benchmarked

73 public-private partnerships facilitated

15 percent increase in extra-regional trade in cotton, textiles, and apparel from 2011 to 2012

10 percent increase in intra-regional trade in staple foods from 2011 to 2012

36 percent increase in extra-regional trade in staple foods from 2011 to 2012

201 firms receiving capacity building assistance to export

16 firms continuing to export without hub assistance

13,120 hours of training delivered to financial sector supervisors

51 new technologies and management practices

1,350 food security enterprises, women's groups and trade associations benefited directly from EATH interventions

16,412 individuals trained in agricultural productivity and food security

\$145 million in AGOA-related exports to the United States facilitated by the project

customs agent licensing and a strategic approach to self-regulation of the freight forwarding industry.

4. EATH facilitated events to increase awareness and use of the EAC Trade Helpdesk in all EAC Partner States. The trainings targeted officials from revenue authorities, central banks, trade ministries, the private sector and research institutions.

PIR 1.2 Barriers to Cross Border Trade and Transit Reduced

1. EATH developed the *Border Efficiency Assessment Methodology* (BEAM) to monitor the impact of Joint Border Committees (JBC) and the general performance of a border post operations with regards to coordinated border management (CBM). CBM is an initiative promoted by the EAC, the Southern African Development Community (SADC) and COMESA Tripartite Agreement. BEAM assessments were conducted in Kenya and Rwanda.
2. EATH completed a detailed analysis of transit times at three key borders along the Northern Transport Corridor -Malaba, Busia and Katuna - using data collected from a large cross section of transporters in East Africa. The analysis revealed a dramatic reduction in transit times at these borders between 2009 and 2013. At the Malaba border post, overall transit times reduced from 18.10 hours in 2009 to 3.41 hours in 2013 representing an 81% reduction in transit time. The Busia border post saw an 85% reduction in transit time from 2009 to 2013 (13.20 hours compared to 2.01 hours), while the Katuna/Gatuna post saw between a 31% and 46% change depending on the time of year. It is estimated that at the Malaba border post alone, the reduction in cross-border time will result in savings of nearly \$70 million a year.
3. EATH supported more efficient customs procedures, the introduction of 24/7 operations, joint inspection of cargo and enhanced coordination between stakeholders at the border. To achieve these goals, EATH has helped developed Joint Border Committees to improve multi-sectoral cooperation and transparency; the RADDEx 2.0 regional customs information exchange platform; the capacity building of The Federation of East Africa Freight Forwarders Association (FEAFFA); the establishment of EACFFPC – a mandatory training program for customs agents; and the Trade Help Desk – a web-based trade statistics and market access requirements information platform. All these improvements have contributed to the dramatic reduction in transit time and cost of transporting goods throughout the region.
4. During FY13, Joint Border Committees were established at Sirari / Isebania border posts (Kenya / Tanzania). Cross-border trade, specifically of agricultural commodities, fish, and minerals, is the economic lifeblood for districts surrounding the Sirari / Isebania borders. This brings the total number of JBCs in the region to 16.
5. JBCs in Tanzania have been recognized for the important role they play in managing smooth operations at border posts. The Government of Tanzania has formalized their role. The JBCs on Trade Facilitation are now legal, local-level, coordinating institutions under the administration of the Tanzania Trade and Investments Authority.
6. EATH sponsored the Regional Africa Middle East Freight Forwarders Conference in Dar es Salaam, Tanzania. The conference attracted over 300 participants including government officials, private sector delegates and trade representatives from around the

globe. The success of the conference shows the growing importance of East Africa in global trade.

7. EATH helped the Government of Tanzania prepare a *National Strategic Plan for Management and Administration of Borders* and a *Harmonized Cargo Clearance Procedures Manual*. The manual will help to reduce the uncertainty that traders face when crossing borders, thus reducing transit time and cost.

PIR 1.3 Structured Trade for Selected Commodities Developed

1. EATH collaborated closely with the EAC and the national bureaus of standards from the five EAC Partner States to develop harmonized quality standards for 22 staple foods products. The need for harmonization was created through feedback to EATH and other partners during regional stakeholder meetings. Stakeholders were citing poor standards as a main reason for border delays and reduced income from trade. This feedback prompted a competitiveness strategy created by EATH to figure out how to improve the standards on a regional level. Standards for four processed products were gazetted in November 2012. The East Africa Standards Committee formally approved and declared the remaining 18 draft harmonized quality standards on staple foods the new East African Standards in July 2013.
2. The EAC Member States understand that food security is in everyone's interest. Having harmonized standards for staple foods creates a common language for farmers, suppliers, traders, processors, and others in the value chain to use. The EAGC, supported by EATH, began an awareness campaign on the recently harmonized EAC draft Quality Standards. A total of 3,100 farmers were trained on standards for maize, paddy rice and beans during two Agribusiness Expos in Tanzania and Uganda in June 2013 (403 in Tanzania, and 2697 in Uganda). EATH also finalized draft users and trainers guides for the EAC Staple Foods Harmonized Standards for 17 commodities.
3. EATH supported efforts for greater adoption and use of the Regional Food Balance Sheet (RFBS) throughout the region. EATH worked to embed the food balance sheet methodology within national ministries of agriculture, statistics and food security offices, where the critical inputs to the RFBS are developed. The Ministries of Agriculture in Tanzania and Uganda have allocated budgets for RFBS activities.
4. EATH successfully increased private sector registration for RFBS and expanded the pool of private sector contributors. During the quarter, EATH held two meetings in Kenya with the region's grain industry leaders to discuss various possibilities for optimizing technology for data submission and incentives for the most consistent data contributors. The EAGC received favorable feedback at both meetings and participants offered to support the RFBS process by submitting data.
5. EATH assisted the EAGC in adding more functionality to the Regional Agriculture Trade Intelligence Network (RATIN). Real Time Volume Tracking (RTVT) market information data collection and informal cross-border data collection were integrated into the RATIN platform. EATH also incorporated feedback and suggestions from users and adjusted the RATIN website to accommodate additional fields for more grain commodities. Six commodities were added to the list of those reported on RATIN, doubling from the initial

six. New commodities include paddy rice, assorted pulses, ground nuts and sunflowers. RATIN information and SMS notifications are available in Kinyarwanda and Kiswahili.

6. EATH, Center of Phytosanitary Excellence (COPE), and East African Phytosanitary Information Committee (EAPIC) completed the national Pest Risk Assessments for rice in all five EAC countries which should allow rice to trade freely within the EAC without being subjected to time consuming Sanitary and Phytosanitary (SPS) inspections at borders.

PIR 2.0 Trade between the US and East and Central Africa (ECA) Increased

PIR 2.1 Capacities of ECA Countries to Engage in Trade Negotiations Increased

1. Through USAID/Rwanda's Trade Facilitation project, EATH supported activities to pave the way for Rwanda Revenue Authority (RRA) compliance with World Customs Organization (WCO) Revised Kyoto Convention protocols.
2. EATH helped ACTIF submit its position on EAC ROO for cotton-textile-apparel (CTA) sector and further provided technical support during the EAC's regional meeting to review the revised EAC ROO. As a result, proposed EAC Rules of Origin (ROO) were endorsed by the technical meeting and all EAC committees. They are now due for approval by EAC Council in November 2013. Under the new ROO, companies will be able to trade among EAC countries under more favorable origin criteria.
3. EATH supported the RRA Customs Services Department to develop content for its new web site. <http://origamisandbox.com/sandbox5/rwanda>

PIR 2.2 U.S. and ECA Firms Taking Advantage of Opportunities under AGOA Increased

1. AGOA exports continued to grow in FY13 with over \$49.1 million in new orders. AGOA exports facilitated through EATH now total \$144,825,075.
2. EATH completed a national AGOA strategy for Mauritius. AGOA strategies have been developed in close consultation with government and private sector and present a comprehensive assessment of a country's export market potential in AGOA export sectors.
3. EATH took Origin Africa, its innovative awareness campaign and market linkages program to change perceptions about Africa, to New York and hosted an event that brought together African designers, manufacturers, exporters and U.S. based buyers, retailers, as well as other interested stakeholders.
4. EATH through its Friends of Africa partners has built relationships between U.S. businesses and African manufacturers and designers. EATH organized two inward buyer missions with leading U.S. retailers and assisted export-ready African firms participate in five international trade shows.
5. In addition to full participation in the 2013 AGOA Forum in Addis Ababa in August, EATH participated as panelists on a breakout session entitled: "Strengthening Textile and

Garment Manufacturing Industries to improve African Exports to the U.S.” Panelists discussed market access, policy environment, and incentive packages.

PIR 3.0 Increased Capacity of African Regional Partners

1. EATH completed a final CISMM assessment and capacity benchmark analysis of the African Fine Coffees Association (AFCA), confirming strong financial systems, strong leadership, an efficient secretariat, and a solid net revenue stream stemming from its annual conference and trade-expo event. AFCA passed the graduation threshold, and no further direct interventions are envisaged. EATH also made a final handover of the [Taste of Harvest Portal](#), to AFCA. The portal enhances AFCA’s Taste of Harvest Cupping Competition promotion activities by linking cupping results to the AFCA web site.
2. EATH continued its support to ACTIF to build a stronger trade association for the cotton-textile-apparel sector. EATH awarded a grant to ACTIF to boost membership and revenue streams, AGOA outreach to enhance the value of AGOA under the current provision, development and enhancement of value-added products and services for members, development and publication of the Cotton Africa Magazine to inform stakeholders and generate revenue, and the staging of the Origin Africa Designer Showcase at the 2013 AGOA Forum.
3. The Kenya Transport Association (KTA) opened its Heavy Commercial Vehicle (HCV) Driver Development Institute doors to Total Kenya and Bamburi Cement (Lafarge), the largest oil company in East and Central Africa and the largest cement manufacturer in Africa, respectively – both major users of East African transport corridors. KTA assessed the competency of 48 drivers (24 drivers a day) using the Institute’s state-of-the-art driving simulators. EATH and KTA hope that this is the beginning of a lasting partnership that will both enhance the competency of East African transporters and ensure the sustainability of the KTA HCV Driver Development Institute.
4. With EATH support, the Uganda Shippers’ Council (USC) opened a new office in Kampala, Uganda. EATH provided \$40,000 for Information and Communications Technology (ICT) and office equipment. USC will use its new office to grow membership and deliver services and advocacy to enhance the competitiveness of Uganda’s cross-border traders.
5. EATH and FEAFFA have produced a *Standard Trading Practices Guide* to spell out standard contract provisions for cargo clearance services and to clarify the roles and obligations of Freight Forwarding Agents (FFAs) and customers in the region. The *Standard Trading Practices Guide* will help professionalize the freight forwarding industry, improving the climate for doing business in the region.

PIR 4.0 Knowledge Management

1. EATH expanded knowledge management and dissemination activities. It redesigned EATH’s website portal to include a [Knowledge Center](#) showcasing knowledge management products as well as technical reports and strategies.
2. EATH created an array of knowledge management products to highlight aspects of the EATH program and provide additional resources for the development community. EATH

published 16 technical and policy briefs, three case studies and six success stories approved by USAID as well as 12 monthly newsletters. All were posted on the EATH website's Knowledge Center.

3. EATH expanded its social media presence on Facebook and Twitter.
4. EATH collaborated with EAGC to publish a *Simplified Storage Guide*. The guide targets small-scale storage operators. It provides practical advice, in an easily digestible format, on how to improve quality, reduce losses and manage stocks.
5. EATH coordinated with the USAID/Malawi Integrating Nutrition in Value Chains (INVC), on the use of EATH's suite of knowledge management storage products – the *Simplified Storage Guide*, technical brief and warehouse facility requirements - to train 275,000 farming households. INVC's goal is to reduce post-harvest losses and increase farmer income.

The East Africa Trade Hub FY13 Annual Report

1.0 National and Regional Markets Better Integrated

EATH provides analysis and advisory services to bilateral and regional partners including policy makers, producers, traders, processors, the EAC Secretariat and partner states to institutionalize critical systems, policies and standards to reduce the cost of doing business and increase value chain competitiveness across East and Central Africa.

EATH's strategy is to address barriers to cross-border trade and transit and reduce the time, cost, and complexity of procedures along the major regional transport corridors for East Africa. The aim is to drive a coordinated approach involving governments, regional economic communities and the private sector to put in place an improved regional environment for enabling trade.

To tackle the issue of food security, EATH works to:

1. Address policy and standards gaps that constrain intra-regional trade in staple commodities.
2. Strengthen the region's market information systems.
3. Build capacity within the region's organizations to institutionalize structured trading systems.

The combination of better policy, reduced transit times, and structured trade leads to better integrated national and regional markets.

1.1 Policy and Regulatory Environment for Trade Improved

EATH works with the EAC and relevant public and private sector partners at the regional and national levels to implement tasks designed to improve the business environment. The program focuses on interventions that improve cross-border trade and transit or policies that affect value chains and food security. By design, these tasks contribute to other PIRs of the results framework.

Activity 1. Work with regional institutions to improve cross-border trade and transit policy

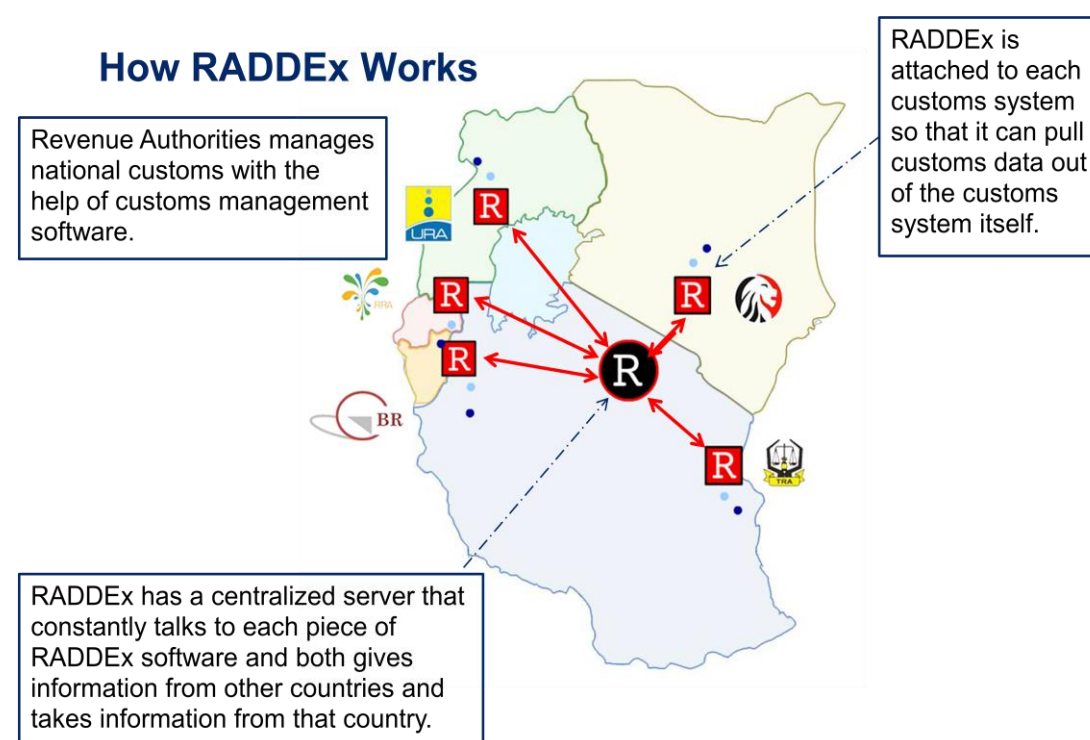
Task 1. Develop and launch RADDEx 2.0. Over the course of the last four years, EATH has been working with the EAC and national revenue authorities in Kenya, Rwanda, Tanzania, Burundi and Uganda to develop an innovative regional customs information exchange platform, RADDEx 2.0. RADDEx is a customs software solution owned, operated and maintained by the EAC Revenue Authorities.

RADDEx 2.0 collects data from point of lodging to final destination and translates it into a readable format for all EAC countries. This data collection allows for an efficient, paper-free, transparent trading environment. RADDEx 2.0 is also a capacity building initiative that demands regional cooperation to allow for the free and automatic flow of customs data between EAC Partner States.

RADDEx 2.0 offers a secure “information bridge” that allows authorized users access to relevant customs declaration information that is used for determining duties and clearing shipments across the key borders of the EAC.

Customs information is transmitted through a network of linked RADDEx 2.0 servers. These national-level RADDEx 2.0 servers procured through EATH support are located at each revenue authority’s main headquarters in Nairobi, Kampala, Dar es Salaam, Kigali and Bujumbura. The central server is located at the EAC Secretariat in Arusha.

Figure 2. RADDEx 2.0



Data stored on the RADDEx 2.0 central server can be accessed through the Internet by authorized users. RADDEx 2.0 users do not have direct access to and are not able to alter the actual customs data in the revenue authorities’ proprietary system which protects the integrity of the original data in the system.

RADDEx 2.0 has a robust monitoring and evaluation capacity built into the system. The system can provide:

1. Real-time regional customs information for transiting goods
2. Advanced notification of arriving goods
3. Defrauding of false declarations
4. Item level tracking
5. Customs user audit trails
6. Projected position of cargo based on historical information
7. Customs reports

Having customs and shipping information readily available and shared among key stakeholders, results in decreased transit delays due to the increased efficiencies in the

system. This is achieved through advance notification of shipments arriving at the borders, the ability to complete documentation prior to the arrival of the shipment, the elimination of the need for duplicate data entry, and the capacity for the revenue authorities and others to assess the risk of the pending shipment.

RADDEx 2.0 saves businesses and government's time and money by facilitating efficient cross-border trade and transit through an ICT platform. It shortens cargo processing times and reduces border delays.

RADDEx 2.0 is a first step towards regionally managing customs data and operations throughout the EAC customs union by promoting free and automatic flow of customs data among its member states. This regional connectivity in customs greatly contributes to more efficient and paper-free processes at borders as well as creating a transparent trading environment.

During FY13, the RADDEx 2.0 system was officially launched by the EAC Heads of State at their Summit on November 28, 2012. The following activities have been pursued during the year in support of RADDEx 2.0 system's operations:



Heads of State from Burundi, Kenya, Rwanda, Tanzania and Uganda gather for the launch of RADDEx 2.0 at the EAC Heads of State Summit in Arusha, Tanzania in November 2012

Support to EAC and Revenue Authorities. During the year, EATH has supported the EAC in the roll out of RADDEx 2.0 as a tool for trade facilitation for use by the Revenue Authorities and the private sector. The support has focused on system's ability to ensure timely transmission of the data from the Revenue Authorities' Customs Management Systems to the Central Server. EATH has provided online support to all Revenue Authorities RADDEx 2.0 focal persons, which has translated to an immense capacity building initiative of the RADDEx 2.0 administrators, EATH also assisted the Burundi, Rwanda and Uganda Revenue Authorities transition from ASYCUDA ++ to ASYCUDA World while maintaining the RADDEx system. The support was critical in ensuring that the migration to ASYCUDA World did not adversely affect RADDEx infrastructure at the Revenue Authorities. To ensure continuous support of the system, EATH embedded an IT expert at the EAC Secretariat to provide daily system administration and issue tracking. This intervention has enhanced RADDEx utilization within Revenue Authorities.

Private sector training and awareness. EATH supported the EAC and EAC Partner States Revenue Authorities in enlisting the private sector as users of RADDEx 2.0 system. Private sector use of RADDEx is pivotal to its success as an instrument for regional trade facilitation because the challenges that the system is addressing are the very ones faced by the private sector when clearing goods transported within the region. These challenges include time taken in customs clearance due to multiple filling in of customs declaration document, time taken by customs to process declaration in absence of advance information on the consignment and delay in transit bond cancellations.

In collaboration with EAC Secretariat, FEAFFA and Revenue Authorities, EATH organized outreach and training events in all EAC Partner States mobilizing 35 firms (namely freight forwarding agents) to participate in the initial roll out of RADDEx 2.0 and training of 172 of their employees. These firms command 60 to 70% of the EAC trade flow.

Enhancements to RADDEx 2.0 to introduce Transit Bond cancellation. During the year, a Transit Bond cancellation feature was developed and tested. This was in response to the private sector's request in view of the delays that they experienced in current transit bond cancellation process. The feature is designed to facilitate notification to the Kenya Revenue Authority (KRA) and the clearing agent on the exit status of the declaration. The notification allows FFAs to print a document that they present to the KRA for purposes of bond cancellation. This streamlines a process that used to take weeks to a single day. The feature will be launched after review by the RADDEx Working Group and by EAC Committee on Customs in November 2013 as part of the RADDEx 2.0 roll out strategy.

User manuals for customs and the private sector. During the year, EATH supported EAC in the development of User manuals for Customs and the Private sector. These manuals will be used as instruments for supporting institutionalization of RADDEx 2.0. The manuals are ready for consideration by the RADDEx 2.0 Working Group along with the activities that have been identified in the RADDEx 2.0 implementation strategy.

Networking and profiling of the RADDEx 2.0 platform. During the year, EATH initiated collaboration with the Japanese International Cooperation Agency (JICA) following a donor coordination meeting presentation where JICA discussed their regional trade facilitation project with Revenue Authorities from EAC Partner States. JICA expressed interest in migrating their program One Stop Border Post (OSBP) Clearance Management System, "RTMS/CCS (Real Time Monitoring System/Cargo Control System) to the RADDEx 2.0 platform.

While much work has been done to link the region together, there is considerable work to do to have seamless interconnectivity between customs agencies at both the regional and bi-lateral level. During FY13, EATH conducted comprehensive assessments of border operations in Kenya and Rwanda which reveal a number of weaknesses, particularly in human resources and infrastructure needed for efficient border operations. This is described in greater detail in Section 1.2 of this report.

Task 2. Support FEAFFA on key policy initiatives. EATH is working in partnership with FEAFFA on several policy initiatives related to the overall effort to increase the professionalism of the transit value chain and improvement of service delivery. Below are three key policy papers EATH developed with FEAFFA:

Policy Paper on Amendment to EAC Customs Management Act. In 2011, the EAC amended Section 34 of the EAC Customs Management Act (EACCMA). The amendment states that “where goods entered in accordance with subsection (1) are not removed from the first point of entry within fourteen days from the date of entry, such goods shall be liable for customs warehouse rent”. In effect, the amendment applies an additional warehouse rental fee on top of that which is already being paid to a port authority for the storage of goods at the port.

In the second quarter, the first phase of the study was completed and a draft report shared with the FEAFFA secretariat. Some of the key findings of the report were:

1. Since introduction of the amendment, the cost of imports has increased, making the region’s economies less competitive.
2. Delays in clearing goods from the port are also caused by circumstances outside the control of the trading community, such as equipment breakdowns, inadequate berthing space and a lack of infrastructure such as road and rail linkages.
3. The amendment is a disincentive to declaration of goods prior to arrival of the ship because one stands the risk of being charged customs warehouse rent (as well as port storage charges levied by the port operator and other private operators in case of specialized cargo such as grain in bulk).

Due to the increased costs that the amendment forces upon FFAs, FEAFFA plans to engage relevant government agencies and the EAC in a process that they hope will lead to the withdrawal of the amendment to Section 34. To prepare for the advocacy effort, FEAFFA must base its case on detailed research on the cost implications of the amendment to the business community and regional economy. The paper was presented to the FEAFFA board in May. FEAFFA then submitted to paper to paper to the Revenue Authorities for consideration.

Policy paper on mutual recognition of clearing agents’ licenses across the EAC. The EACCMA specifies that clearance of cargo across borders must be conducted by licensed customs agents. Efforts to enhance professional standards within the industry have gained momentum including among others a regional industry code of conduct, training and improved access to operational information. All these have promoted a unified approach of business issues among all clearing agents in the region.

Despite efforts to enhance professional standards within the industry, the licenses offered by one revenue authority are not yet being recognized by other revenue authorities. This is contrary to the provisions of the EAC Common Market Protocol on free movement of capital and labor compelling clearing and forwarding firms to seek multiple licenses across borders to do business in other EAC countries - a factor that raises their cost of doing business.

The study indicates that this non-recognition of licenses forces traders to engage up to seven separate freight forwarding firms to move cargo across the region, FFAs on average charge a fee of \$200 USD per Twenty Tons Equivalent Unit (TEU). The Northern Corridor handles over one million TEU annually. The study suggest that mutual recognition of licensed freight forwarders could lead to a 50 percent reduction in the total freight forwarding fees levied which would result in \$100 million USD savings to the region’s economies. The paper was presented to the FEAFFA board in May. FEAFFA then submitted to paper to paper to the Revenue Authorities for consideration.

Develop policy paper for self-regulation of the regional Freight Forwarding industry.

Self-regulation is the ideal mechanism for fostering professional development of many industries. It offers state agencies previously engaged in policing industry operators to concentrate on their other responsibilities, while at the same time guaranteeing effectiveness in the industry in question. The freight forwarding industry in East Africa is highly regulated which is primarily due to the negative perception of the industry. However, the industry has made strides towards become a more professional industry such as implementing a regional industry Code of Conduct, and it is eager to do more.

A draft report was completed in FY13. The report outlines how self-regulation will result in an improved business environment for all stakeholders in the freight forwarding industry, allowing market forces to take center stage so that trade logistics markets can work better. In the first quarter of FY14, EATH will support FEAFFA in publishing this draft so that it can receive a wider industry review. The views of the industry will then be collated and included in the final version.

Task 3. Improve operations of the EAC Trade Helpdesk. In collaboration with the EAC, EATH developed the EAC Trade Helpdesk www.tradehelpdesk.eac.int, a web-based tool that allows users to query EAC import and export trade statistics by country of origin and destination, as well as applicable tariff and trade regulatory requirements (such as ROO and non-tariff requirements). Data from 2008 to December 2012 is now available on the site. National Bureaus of Statistics in each of the EAC Partner States can upload new data directly into the database. The Trade Helpdesk also provides a vehicle for EAC member states to publish their Rules of Origin, external tariffs and other trade-related policies. This has the additional benefit of compliance USG Trafficking in Persons country reporting requirements; foreign products that have been produced by convict, child, and indentured labor are banned from import into the U.S.

EATH worked with the EAC to improve data quality and upload quarterly data immediately after the end of each quarter. Originally, the Trade Helpdesk was based on the Harmonized System (HS) 2007 tariff book. EATH helped the EAC replace it with the HS2012 tariff book, developed earlier with support from the project. As a result, the EAC is now compliant with the latest WCO standards on commodity classification based on WCO HS2012 guide.

“EATH is leaving behind a tangible product for the EAC in form of the Trade Helpdesk Portal that will revolutionize the way we do business, saving so many man-hours initially spent looking for information on EAC market size and tariffs at product level.”

Akinyi Gikonyo,
Customs Expert,
Kenya Association of Manufacturers

EATH also helped partner states upload information on tariffs that are applicable to goods imported into the EAC from COMESA and SADC. For the first time, partner states have this information at the touch of a button, which, for instance, will allow policy-makers and businesses to quickly assess the impact of COMESA and SADC Free Trade Agreements (FTAs) on the EAC.

EATH has continued to provide back-stopping support to the EAC Secretariat to ensure timely upload of quarterly trade statistics and updates on customs related policies.

During the year, EATH facilitated national trainings and awareness creation targeted at prospective users from ministries responsible for trade, revenue authorities, central banks, private sector associations and research institutions. The trainings were conducted in Kenya, Burundi, Rwanda, Uganda and Tanzania with a total of 116 people trained. As a result of the feedback obtained during the national meetings improvements have been made to the application. The formal launch of EAC Trade Helpdesk is scheduled for late 2013.

Activity 2: Work with regional institutions to improve policies that affect value chains and food security

Currently, the EAC Partner States' food security and nutrition policies are not harmonized. Moreover, they are not aligned with EAC policy on regional free trade nor do they take into account global perspectives on food security and nutrition. A harmonized policy between partner states would provide a predictable policy environment to drive regional structured trading systems and effective trade facilitation for agricultural products.

Task 1. Support the EAC to develop a FSNP. The EAC Sectoral Council of Agricultural Ministers directed the EAC to establish a working group on FSNP in August 2011. The working group is composed of public and private sector stakeholders engaged in food security and nutrition and led by EAC Partner States' Ministries of Agriculture and Ministries of Health.

Prior to establishing the working group, the EAC conducted a series of preliminary studies to determine the status of national-level policies in these areas. In FY12, EATH helped the EAC draft a *Working Document for the EAC Working Group on Food Security and Nutritional Policy*. The document provides a situational analysis of the current status of food security and nutrition policies in each of the EAC Partner States. During FY13, a team of the international and regional consultants produced a draft report, *The East African Community Food Security and Nutrition Policy Review*, which is being revised in readiness for submission to the EAC. EATH plans to provide further support to the EAC FSNP Working Group towards finalization of the policy document.

1.2 Barriers to Cross-Border Trade and Transit Reduced

The efficient flow of international trade relies on a range of skilled service providers working together effectively, including shipping lines, port terminal operators, customs officials, operators of off-dock container yards, land transport agents, government entities at border posts, and FFAs. The relatively low quality of international trade logistics in the EAC limits the potential for growth in trade and hence economic growth and development the region. Reform of international trade logistics, and in particular the quality of services offered by the various market actors, can yield important economic gains throughout the region.¹

EATH works to improve service delivery and integration of the logistics chain by helping to improve the quality of service provided by Freight Forwarding Agents (FFA). Concurrently, EATH works with government and private sector entities across the region to improve

¹ "The Role of Clearing and Forwarding Agents in Reforming the EAC Logistics Sector", James Mathis, Nora Dihel, Nicholas Strychacz, John Arnold, John Mathenge, World Bank Africa Trade Policy Notes Note #17, www.worldbank.org

services at domestic border posts, contributing to the formation of an EAC policy on Integrated Border Management.

Activity 1: Improve services and availability of information in the logistics chain

FFAs are the key private sector players in the provision of freight logistics on the Northern, Central and Dar es Salaam transit corridors. The bulk of the railway and waterway networks are inoperative and as a result, 99 percent of the regional or international cargo is moved overland across borders. The efficiency of freight logistics services has an enormous impact on the cost of doing business in the region. It is estimated that at the Malaba border post alone, the reduction in cross-border time will result in nearly \$70 million a year in savings. To facilitate these savings, EATH works with its public and private sector partners to improve service delivery, regional cooperation and increase the availability of information for stakeholders.

Africa Road Transport Forum 2013. EATH supported five National Road Transport Associations from East Africa to participate in the *Africa Road Transport Forum 2013*. The Federation of East and Southern African Road Transport Associations (FESARTA), the apex association for transporters in Eastern, Central and Southern Africa, convened the *Forum* from April 17-18, 2013 in Johannesburg, South Africa. The Forum was supported by a multifaceted group of development partners including, Trade Mark East Africa (TMEA), Trade Mark South Africa (TMSA), Southern Africa Trade Hub (SATH) and EATH. It marked the second time truckers from Eastern, Central and Southern Africa came together to analyze leading road transport problems including the standardization of traffic acts, weighbridge control, border procedures, and road infrastructure. These proposed solutions have been submitted to the Tripartite FTA process for further consideration.

Regional Africa Middle East (RAME) 2013 Freight Forwarders Conference. EATH sponsored the Regional Africa Middle East Freight Forwarders Conference held in Dar es Salaam, Tanzania on June 19-21, 2013. The event was hosted by the Tanzanian Association of Freight Forwarders Association (TAFFA), an affiliate of FEAFFA. The conference was the first time freight forwarders from around the world convened in East Africa for a major industry event and attracted over 300 participants including ambassadors, government officials, private sector delegates and trade representatives from around the globe. The conference was opened by the Vice President of Tanzania. The Tanzania Minister of Transport and the new International Federation of Freight Forwarders Association (FIATA) President also attended, as well as other high-level delegates.



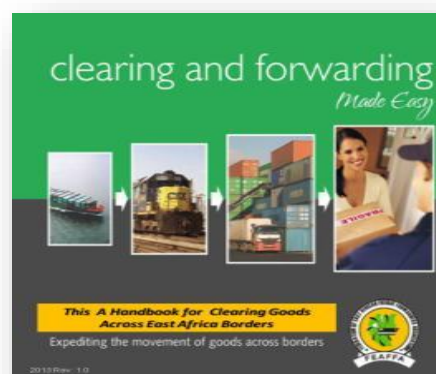
The objective of the conference was to share knowledge and experience of international best practices on international transport and freight forwarding. EATH presented on trade facilitation and RADDEX 2.0. EATH had a booth to promote awareness of RADDEX, its benefits to the private sector and how to register. The conference also enabled East African freight forwarders to reach consensus on key policy issues including One Stop Border Posts, the East African Customs Territory and cargo tracking. East African delegates benefited from

the experience of their counterparts from all over the world and many were able to finalize business deals and make new contacts. Other event sponsors included Seedco, Global Shipping, NMB Bank, EB Maritime Holdings Authority, Tanzania Ports Authority, Express Tanzania Limited and the Tanzania Shipping Agents Association. The next FIATA conference will be held in Singapore in October 2013.

Task 1. Develop manuals and templates to improve freight forwarding service providers.

EATH has been working to enhance the efficiency of freight logistics by enhancing the capacity of the freight forwarding service providers to deliver cost effective, speedy and reliable freight logistics services. With FEAFFA, EATH has focused on improving knowledge and skills required for service providers to comply with the applicable legal and regulatory requirements. Enhanced compliance enables freight forwarding service providers to reduce the time and cost of moving goods across borders and as well as decrease opportunities for corruption:

Develop cargo clearance manuals for key EAC borders. The majority of FFAs specialize in the clearance and transportation of goods imported through seaports and airports with less focus on goods produced in the region (especially staple foods). Freight forwarders are not fully aware of the numerous processes and procedures at the land borders including ROO, SPS and other critical border clearance procedures. Clearance errors often result in the rejection of entries leading to delays in cargo clearance and subsequently increasing transit costs.



EATH has been working with FEAFFA to produce a regional manual that will contain key procedures, documentation and other requirements for cargo clearance along the Northern, Central, and Dar corridors. The manual will cover Kenya, Tanzania, Uganda and Rwandan borders, as well as the ports at Mombasa and Dar es Salaam.

EATH continued to work closely with the FEAFFA secretariat to refine the contents of the draft manual. Identified gaps have been closed. The manual now covers all the processes involved in executing transit cargo, sea imports, sea exports, road imports, road exports, air imports and air exports.

Prepare Standard Trading Practices Guide for FFAs. In performing their logistics functions, many FFAs, especially small and medium enterprises (SMEs), face transactional challenges with their customers due to unclear terms and conditions. In most cases, contracts (written and verbal) do not safeguard the interests of both the principals and the agents, exposing contracting parties to business hazards. This results in poor delivery of services and subsequent loss of business for the SME agents. To address this situation, EATH worked with FEAFFA during FY12 to produce a *Standard Trading Practices Guide* to clarify the roles and obligations of both parties; including provision of accurate information for cargo clearance purposes.



In FY13, EATH worked with FEAFFA to further develop sections defining the obligations of an FFA. These sections included guidelines on: sub-contracting, FFA's discretion in the absence of instructions, insurance, FFA's obligations, and examination of landed goods, duties, taxes, imports, levies and deposits. The revised guidelines were reviewed by the full board in May 2013 after which they will be posted on the FEAFFA website and also distributed among FFA throughout the region.

Activity 2: Enhance efficiency of cargo clearance at key EAC ports and borders

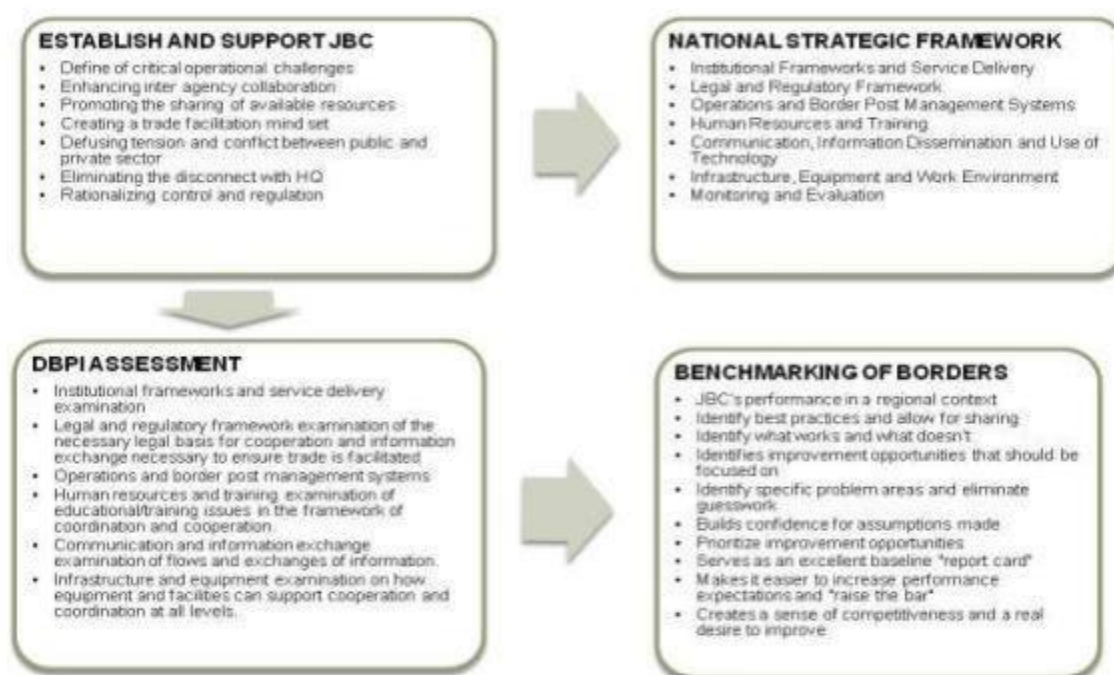
The high cost of trading across borders can be attributed to uncoordinated operations of government border agencies and poor public-private sector cooperation. At some border posts, up to ten agencies operate, each carrying out inspections and levying their own charges without any coordination. The process is very bureaucratic, which results in prolonged delays and an increased cost of doing business.

Integrated border management (IBM) is the organization and coordination of border agency activities to meet the common challenge of facilitating the movement of legitimate people and cargo while maintaining secure borders and meeting national legal requirements. The two primary aspects of IBM are *domestic* and *international* harmonization. On the domestic side, a country may choose to help integrate its border operations by setting up JBCs. Later, it may choose to harmonize its borders internationally through instruments such as OSBPs.

EATH has focused on *domestic* border post integration through the establishment and support of JBCs. Key government agencies and the private sector actors responsible for clearing goods at a country's border post establish a JBC by signing a memorandum of understanding on cooperation. JBCs identify critical operational challenges for clearing goods and then develop local solutions. JBCs emphasize inter-agency collaboration and private sector cooperation in addressing challenges. JBCs also provide EATH and other donors an operational platform for training government and the private sector in trade facilitation initiatives (e.g. Code of Conduct for FFAs, Simplified Certificate of Origin applications).

Task 1. Improve Domestic Border Post Integration (DBPI). EATH in conjunction with the Ministries of Trade and the Secretariats of East Africa's main transport and trade corridor (Northern Corridor, Central Corridor and the Dar es Salaam Corridor) supported the creation of JBCs at border posts on East Africa main corridors. JBCs promote efficiency at the border crossings by enhancing collaboration and coordination among stakeholders on joint cargo inspections, 24/7 border operations, measures to promote transparency and capacity building. JBCs are formally established through signed Memorandums of Understanding (MOUs) amongst border stakeholders at the border. JBCs have been established at the following **16 border posts**: Namanga ^[KE], Namanga ^[TZ], Sirari ^[TZ], Isebania ^[KE], Busia ^[KE], Busia ^[UG], Malaba ^[KE], Malaba ^[UG], Katuna ^[UG], Bibia/Elegu ^[UG] - (Uganda Border with South Sudan), Gatuna ^[RW], Rusumo ^[TZ], Rusumo ^[RW], Tunduma ^[TZ] - (Tanzania's border with Zambia), Kasumulu ^[TZ] - (Tanzania's border with Malawi), Kabanga ^[TZ] and Kobero ^[UG].

Figure 3. Integrated Border Management Process



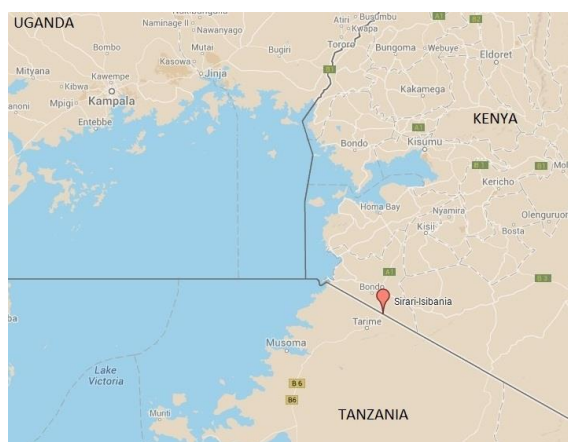
Cross-border Traders Sensitization. In the second quarter, EATH sponsored the Kenyan Ministry of Trade and the Northern Corridor in four (Malaba, Busia, Namanga and Isebania) cross-border traders’ sensitization and joint border committee capacity building workshops. The objective of the workshops was to inform small-scale, cross-border traders of their rights and listen to any challenges they face. Representatives from key government border agencies attended and responded to issues and concerns expressed by private sector stakeholders. The sessions also aimed to increase awareness of issues that affect the way small cross-border traders do business. The workshops covered themes such as the benefits of the Simplified Trade Regime in the EAC for cross-border traders; the role of Ministry of Trade in facilitating development of cross-border trade; and the impact of cross-border trade in the development of SMEs. Panel discussions were held with representatives from Customs, the Bureau of Standards, Immigration, Kenya Plant Health Inspectorate Service and Municipal Council. The workshops also developed JBC work plans and Monitoring and Evaluation (M&E) performance assessment instruments.

A series of follow-up meetings was held in August to take stock of progress made on tackling cross-border challenges identified earlier and to provide private sector operators and traders with an opportunity to directly engage government agencies on matters concerning cross border trade. Overall findings and recommendations were shared at National Conference on Trading across Borders in September.

“Knowledge is power. Now that you have empowered us, we can go and inform our friends and colleagues about what we have learned.”

Ashepete Barasa Roseline, a representative of Malaba Town Council and trader in clothing and fashion accessories (comment on EATH Cross-Border Trader Sensitization Workshop)

Establishment of Joint Border Committees at Sirari and Isebania Border. EATH responded to high level official requests from the governments of Kenya and Tanzania to support the establishment of JBCs at Sirari^[TZ] and Isebania^[KE] situated in western Kenya and Tanzania.



Cross-border trade is the crucial to the local economies of Sirari and Isebania. The border posts are the delivery system for the movement of agricultural commodities, fish, mining, and tourism.

EATH visited these borders in January 2013 with key partners like the Kenyan and Tanzanian Ministries of Trade and relevant corridor authorities. Workshops were held at both Isebania and Sirari bringing together key institutions and agencies in trade facilitation at the borders. MOUs were signed the Ministry of

Trade on one side and the Trade Facilitating Government agencies and private sector institutions on other to establish the Isebania^[Ke] and Isebania^[Tz] Joint Border Committees.

Prepare Regional and National Guidelines for DBPI. To ensure that governments and other stakeholders are harmonize their approach to DBPI, EATH project prepared a concept paper entitled, “*Domestic Border Post Integration through Joint Border Committees.*” The concept paper contains an overview on how to implement DBPI. The guidelines can then be customized for each country in the form of national guidelines.

Kenya. Kenya formally adopted the guidelines and associated terms of reference for JBCs at a meeting attended by the Minister of Trade in October 2012. The terms of reference describe the objective, goals, membership, governance and jurisdiction among other typical components of a JBC. Stakeholders also agreed to mainstream the JBCs within the framework of the National Trade Facilitation Central Coordination Mechanism to be based at the Ministry of Trade. The Central Coordination Mechanism is the apex body where trade facilitation issues are “actioned” to improve Kenya’s competitiveness regionally and internationally under the Ministry of Trade’s Private Sector Development Strategy.

Tanzania. The Government of Tanzania, with the support of EATH has set up seven JBCs at key transit borders posts. In the second quarter, EATH in conjunction with the Prime Minister’s Office and Ministry of Industry and Trade held a meeting to validate a draft of the Terms of Reference (TOR) for these seven border posts. These TORs introduce uniformity, predictability and effectiveness in the running of the JBC’s. Following adoption of the TOR, the Permanent Secretary of Ministry of Industry and Trade designated a trade officer to coordinate the operations of the JBC’s at the national and regional levels and appointed the Tanzania Trade and Investment Authority (TANTRADE) to assume leadership/administration of the function.

The new TOR transforms Tanzania’s JBC’s into legal, local-level, coordinating institutions. Their success will depend on a strong link between local action and policy guidance from the Ministry of Industry and Trade. A national Trade Facilitation Coordinating Mechanism has been proposed as the structure that coordinates the JBC’s and to which the local-level bodies report. The Coordinating Mechanism could have other wider policy objectives such as

monitoring Tanzanians performance in the “Trading across Borders” component of the World Bank’s Doing Business Report. A Draft Cabinet Memorandum from the Ministry of Trade to establish the Coordinating Mechanism would give the Coordinating Mechanism the required policy framework and high-level political support required for meeting its objectives.

Adopting Terms of Reference for JBC’s in Tanzania is a significant milestone to improving the trading environment in Tanzania. In the past, such efforts have not led to realization of short-term results because there was no provision for a follow-up mechanism. EATH proposes a stakeholders’ meeting twice a year to monitor progress in establishment of the JBC’s and Coordinating Mechanism and document benefits arising from this approach. Under these terms of reference the official name of JBCs becomes Joint Border Committee on Trade Facilitation.

Uganda. EATH applied the same TOR template developed for Tanzania and Kenya to Uganda. Uganda’s TOR prescribes the strategic framework with which Uganda will consistently and sustainably implement coordinated border management through JBCs. Regional and international trade in Uganda like Kenya and Tanzania is hampered by the presence of multiple government agencies at the borders with no joint operational framework resulting in duplication, overlap of functions and responsibilities and poor utilization of capacity and resources.

There has been no properly constituted coordination mechanism of all agencies and stakeholders at Uganda’s border posts thus limiting the smooth flow and clearance of goods. The draft TORs have been developed to be in line with Uganda’s National Development Plan (NDP) 2010-2015 and also in the draft National Vision 2040. The draft recommends to the Ministry of Trade, Industry and Cooperatives to establish and operationalize JBCs.

Handover of Tanzania’s harmonized border clearance manuals. Since 2010, the Tanzanian government has been implementing a roadmap to improve the investment and business environment in Tanzania. The roadmap has ten key items to be addressed including that of ease of trading across borders.

EATH has worked with all stakeholders responsible for clearance, transportation and management of logistics in Tanzania to develop harmonized process and procedures manuals for clearing cargo across borders in Tanzania, and through the port of Dar es Salaam. These processes and procedures will be used at borders with nine countries: Kenya, Uganda, Tanzania, Rwanda, Burundi, the Democratic Republic of the Congo (DRC), Malawi, Zambia and Mozambique. The manuals will be distributed to port users, traders, FFAs, importers, exporters, shippers, government and private sector cargo interests.



Conduct border assessments and benchmarking. EATH has developed the *Border Efficiency Assessment Methodology* (BEAM) to analyze the performance of border post operations within the context of CBM and assess the impact of JBCs on border post

efficiency. CBM is a component of IBM and is an initiative promoted by the EAC, SADC and COMESA Tripartite Agreement. According to the European Union's (EU) CBM guidelines, it seeks to improve coordination and cooperation among all relevant authorities and agencies involved in border security and cross-border trade. EATH has developed BEAM to assess five elements of border management: border governance: institutions and regulations; border post operations and procedures; human resources and training; communication and information exchange; and infrastructure and equipment.

Assessments were conducted by a multidisciplinary team from the public and private sector that were trained by EATH on the assessment framework and tools. The assessment was used to determine the baseline levels of each element by measuring performance across the five dimensions of CBM listed above. A score was given for each dimension ranging from 1 (worst) to 5 (best practice). The five dimensions cover the necessary elements to improving cross-border trade and target both "hard" and "soft" infrastructure.

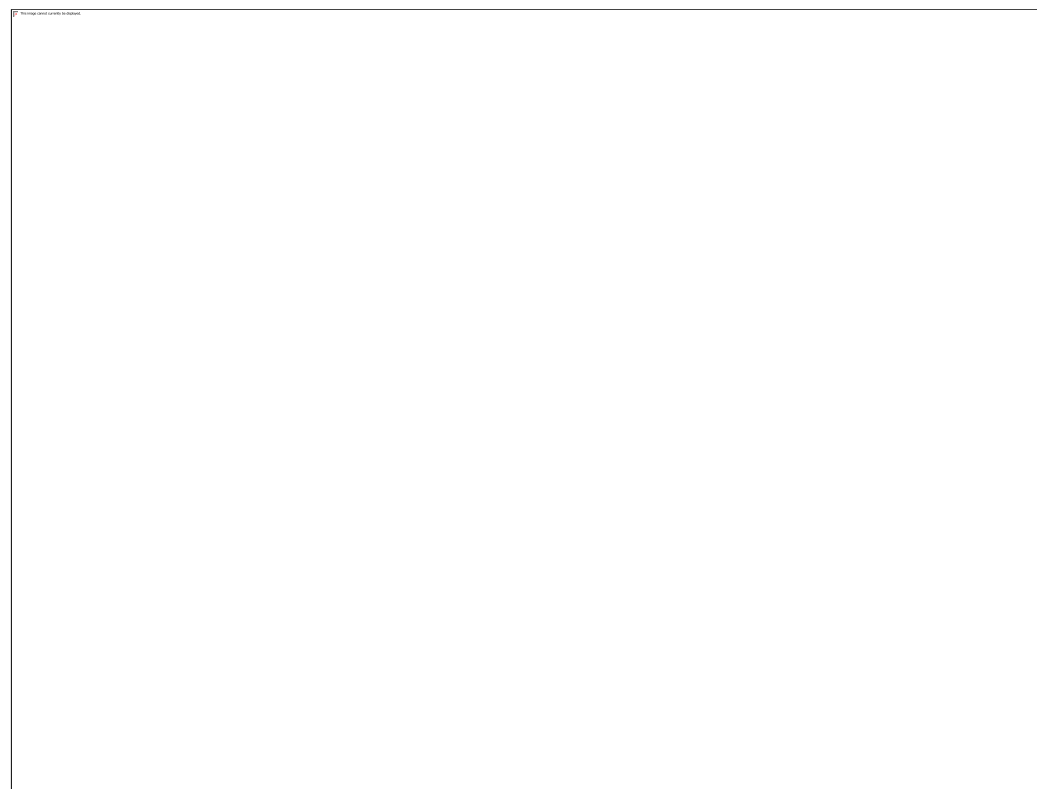
Rwanda BEAM Assessments EATH completed BEAM for the following Rwanda borders: Rusizi^[DRC], Akanyaru^[BURUNDI], Rusumo^[TANZANIA], and Gatuna^[UGANDA].

The Rwanda borders vary in their level of development, degree of coordinated border management, levels of establishing effective institutional and regulatory frameworks, and varying levels of success at adopting global best practices to trade facilitation. As a result, each Rwandan border faces unique challenges in improving its trade environment and facilitating trade within the EAC region.

The Rwanda borders assessments indicate major weaknesses in human resources, communication and information exchange and operations within border post management. The Rusizi border is close to the regional target on legal and regulatory frameworks, but lags behind the region on all other indicators. Rusizi border separates Rwanda and DRC, a major thoroughfare for transit to the DRC commercial center of Bukavu. Figure 4 below shows expected results against assessment results of the Rusizi border. These assessments are a tool for the region to monitor progress of domestic border post integration and will provide a basis for recommendations for improvement.

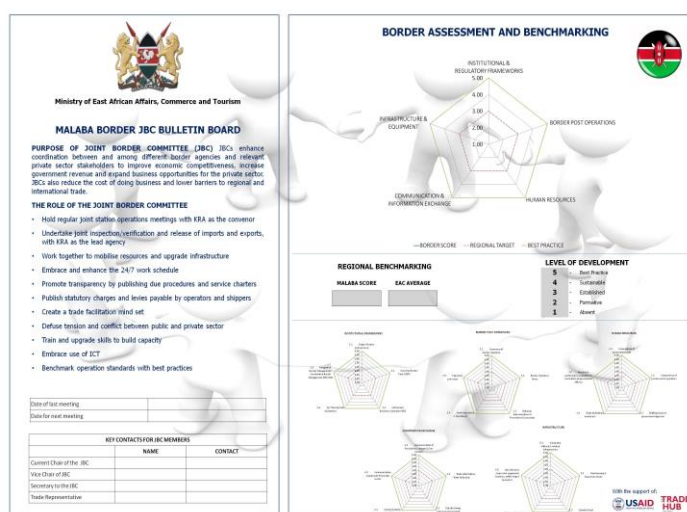
Kenya BEAM Assessments EATH completed a BEAM assessment covering the following Kenyan border posts: Namanga, Busia, Malaba, and Isebania. The assessment covered both the inter-agency and international cooperation and coordination. The BEAM assessment has revealed that Kenya borders also vary greatly in their level of development, degree of coordinated border management, levels of establishing effective institutional and regulatory frameworks, and varying levels of success at adopting global best practices to trade facilitation. Kenyan borders rankings show the mean index score of 2.73 is below the regional target of 3.0. The results allow Kenya to prioritize improvements to increase its competitiveness within the EAC.

Figure 4. DBPI Assessment Rusizi Border Rwanda Using BEAM Methodology



Regional Benchmarking began in FY13 and will continue into FY14. It will provide valuable insight into how borders are performing and guide decisions on allocation of resources. It will also provide a context for shared goal-setting between borders and a tool for measuring performance over time. Best practice shall aid in the pursuit by the central government in enhancing performance of border posts by learning from the successful practices of others. Benchmarking should be a process of continuous improvement and not a one-off activity. Key players include the JBCs, local and central governments, the EAC, and development partners to focus on critical problem areas. Assessments are carried out in collaboration with the headquarters of ministries in order to ensure ownership and quick communication of results. Benchmarking scorecards will be published on bulletin boards.

Figure 5. Border Assessment and Benchmarking Scorecard



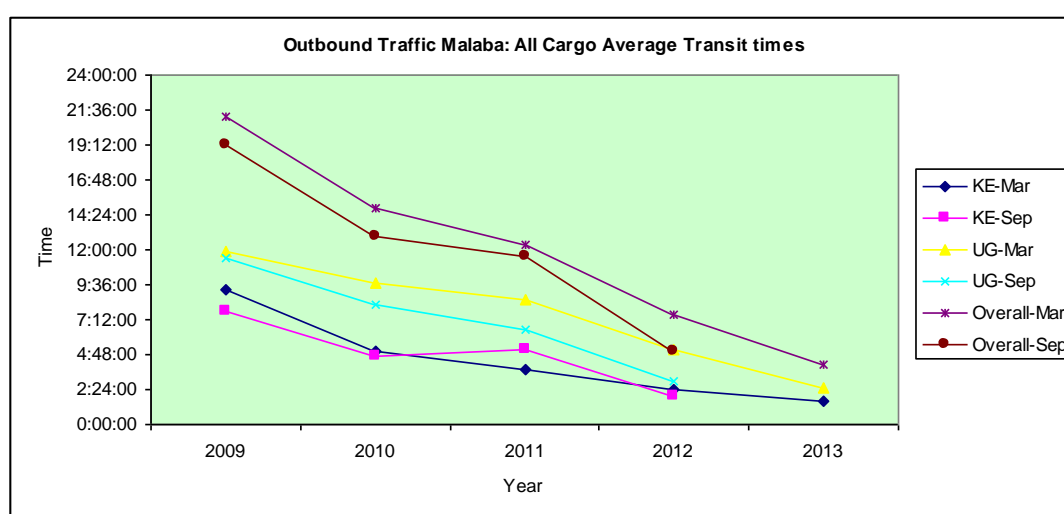
Transit times analysis of Northern Corridor border posts using real time web based cargo tracking platform. During FY13, EATH completed a comprehensive Transit Times Analysis of Northern Corridor border posts using data from transporters who operate real time web based cargo tracking platforms. The analysis reviewed inbound and outbound cargo transit time data from 2009 up to March 2013 for the Malaba ^[KE]/Malaba ^[UG], Busia ^[KE]/Busia ^[UG], and Gatuna ^[RW]/Katuna ^[UG] border posts. The data draws from a wide range of big, medium and small transport companies.

Figure 6. Transit Times Analysis Data Sample – Malaba Border March 2009

MALABA OUTBOUND DATA							MARCH 2009								
#	Loading Location Code	Delivery Country	Delivery Location	Product Nature	Arrival Malaba KE Date	Arrival Malaba KE Time	Depart Malaba KE Date	Depart Malaba KE Time	Crossing time KE	Arrival Malaba UG Date	Arrival Malaba UG Time	Depart Malaba UG Date	Depart Malaba UG Time	Crossing time UG	Overall Crossing time
1	NBO	UG	KAM-PALA	GUINNESS FES 300MLS	23-Mar-09	8:30	23-Mar-09	15:00	6:30	23-Mar-09	15:00	23-Mar-09	20:00	5:00	11:30:00
2	NBO	UG	KAM-PALA	GUINNESS FES 300MLS	23-Mar-09	10:00	23-Mar-09	16:30	6:30	23-Mar-09	16:30	23-Mar-09	21:30	5:00	11:30:00
3	NBO	UG	KAM-PALA	GUINNESS FES 300MLS	23-Mar-09	10:50	23-Mar-09	17:00	6:10	23-Mar-09	17:00	23-Mar-09	22:30	5:30	11:40:00
4	NBO	UG	KAM-PALA	GUINNESS FES 300MLS	23-Mar-09	13:30	23-Mar-09	20:00	6:30	23-Mar-09	20:00	24-Mar-09	13:00	17:00	23:30:00
5	NBO	UG	KAM-PALA	GUINNESS FES 300MLS	23-Mar-09	13:33	23-Mar-09	19:30	5:57	23-Mar-09	19:30	24-Mar-09	11:30	16:00	21:57:00
6	NBO	UG	KAMPALA	GUINNESS FES 300MLS	23-Mar-09	15:30	24-Mar-09	10:00	18:30	24-Mar-09	10:00	24-Mar-09	16:30	6:30	25:00:00

The data indicates a dramatic reduction in transit times at the Malaba, Busia and Katuna borders between 2009 and 2013. This reduction in transit time is attributable to EATH's support of FEAFFA, JBC's, RADDEX 2.0, customs training, joint inspections and other interventions that reduced the barriers to trade. In fiscal year 2014, EATH will conduct an impact assessment to get updated figures on the time and money saved through EATH-sponsored interventions.

Figure 7. Average Transit Times for All Cargo



The analysis also showed that border crossing times vary considerably depending on the type of goods, nature of the border formalities, whether cargo is destined for that country or transiting, season, condition at the border, and the time of day.

1.3 Structured Trade for Selected Commodities Developed

The informal and disconnected nature of the region's staple foods value chains negatively affects sector competitiveness. Structured trading systems that link and integrate all value chain players and create greater efficiency within the commodity marketing chain are still developing in most countries in the EAC and COMESA. EATH works to strengthen the systems and policies necessary to integrate smallholders into the formal marketing structure, facilitate trade, and enhance food security. EATH collaborates closely with regional economic communities (RECs), regional trade associations (RTAs) such as the EAGC, bilateral missions and their projects, international development partners, regional NGOs, private sector organizations and lead firms to address trade policy issues and standards gaps that constrain intra-regional trade in staple commodities, strengthen the region's market information systems and build capacity within the region's organizations to institutionalize structured trading systems.

Activity 1: Address regional market information system deficiencies and facilitate trade linkages

Market information is essential for the proper functioning of agricultural markets. It provides the information required to facilitate links along the value chain and enables value chain participants to evaluate different opportunities and market movements and make more informed decisions about when to buy and sell, increasing value capture across the chain.

In the EAC and COMESA, the Market Information System (MIS) landscape is disjointed and nationally focused. Numerous unsustainable systems compete for limited clients and resources, information is inconsistent, inaccurate and unreliable and, as a result, the information and the systems are not trusted and are under-utilized. The result is information asymmetry that blinds value chain participants to potential national and regional market opportunities and creates systemic inefficiencies that drive up costs along the value chain and damage competitiveness. Consequently, advantages accrue disproportionately to certain parts of the value chain, which encourages and perpetuates traditional informal and transactional trading systems that constrain trade, inhibit regional value chain integration and negatively impact food security. EATH has concentrated much of its effort under the staple foods value chain on addressing these deficiencies. Below are tasks under this activity:

EATH has worked with the EAGC to upgrade and expand RATIN and has introduced a number of new tools for market information collection and dissemination that will improve market transparency. The new RATIN links national partners into a well-designed and easy-to-use regional platform that provides accurate, timely and relevant regional data and analysis to a broad set of stakeholders.

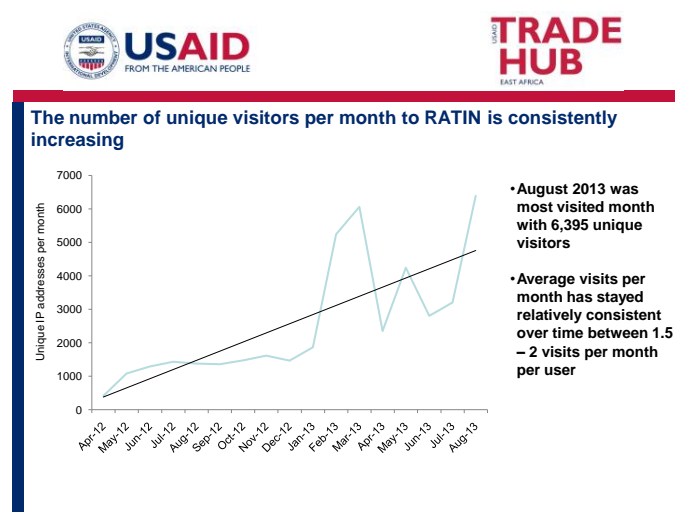
The new RATIN also includes a RTVT system that enables warehouse operators to upload and update data on the available volumes (and grades) of commodities in their facilities via a simple smart phone application. EATH is working with the EAGC to link RTVT with the RFBS. Below are tasks to enhance RATIN even further.

Task 1. Support EAGC's efforts to expand RATIN to a regional market information platform. Improving the quality and consistency of market information is essential for building trust in the region's systems and is critical for the development of a viable, regionally-integrated market information platform such as RATIN. Wider adoption of

structured trading systems should help facilitate integration of smallholders into the formal marketing system and increase the volume and velocity of trade. EATH and EAGC carried out the following activities during the fourth quarter:

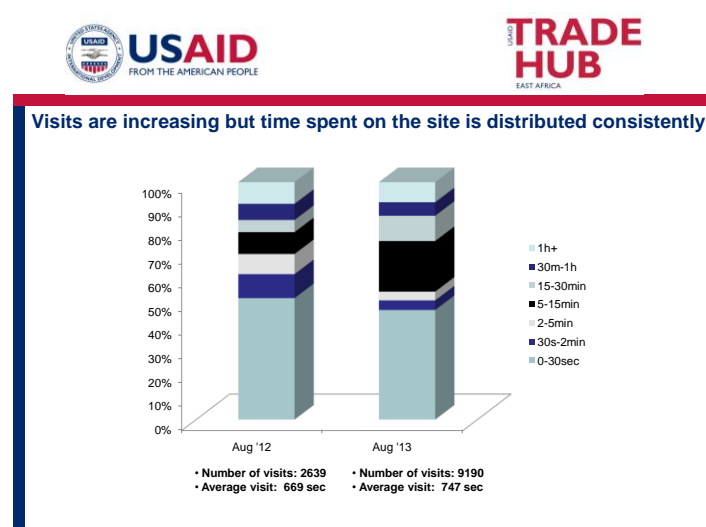
1. Daily monitoring of 29 markets and 6 border points. This has contributed to the timely transmission of market prices by 9.00am each day and cross-border trade flows by end of each day. The monitors were supervised and mentored throughout the period, resulting in good quality and relevant data transmitted to RATIN and the production of weekly price reports. Usage of RATIN hit an all time high in the month of August, 2013 with over 6,000 unique visitors viewing the site, with an average of 1.5 visits per month.

Figure 8: Monthly Visitors to RATIN.net



2. Time spent on the site also increased to 747 seconds per user, and the percentage of users spending between 2 and 30 minutes on the site increased dramatically.

Figure 9: Time Spent per Visit on RATN.net



3. During the Cross Border Traders sensitization sessions (see PIR 1.2), EATH briefed traders on staple foods standards and RATIN.

4. Throughout FY13, the focus on RATIN, www.ratin.net has been improving its functionality and user-friendliness. A market monitor in Tanzania was added, increasing the amount of data coming from that country. Additional functionality was also added on the back-end of the system, specifically a bulk SMS gateway. This gateway will allow EAGC to send mass SMS to users according to different target markets – for example, all users in Rwanda can receive a message directly from RATIN, or an alert can be sent to all users who have recently queried data for a certain crop.
5. RTVT is now fully integrated within the RATIN framework: <http://www.ratin.net/index.php/warehouses/real-time-volume-tracker>. RTVT is a web-based warehouse volume tracking system that utilizes an Android mobile application to capture warehouse data and transmit it to the central server. From the central server the data is available on the RATIN website or via SMS data inquiry. The integration of RTVT into the system makes RATIN more robust and allows stakeholders to access information remotely and in real-time. 19 warehouses have now been recruited and trained to upload data, and as of August 2, 2013 warehouses (one in Tanzania and another in Uganda) were uploading regularly. In the coming months, EATH will work with the EAGC to promote RTVT alongside other structured trade regional initiatives
6. In order to make RATIN more usable for smallholder farmers who may not access the website, the SMS functionality of RATIN was promoted and translated into local languages. The fourth quarter saw the introduction of SMS services in Kinyarwanda and Kiswahili, which should further increase use of the system.

Task 2. Finalize harmonized data collection methodologies, develop training materials and conduct enumerator training. Improving the quality and consistency of market information is essential for building trust in the region's systems and is critical for the development of a viable, regionally-integrated market information platform such as RATIN.

EATH continued to work with the EAGC to strengthen national MIS systems and solidify RATIN's position as the region's leading MIS platform. EATH supports the EAGC's efforts to identify national-level organizations to partner with that will enable the expansion of RATIN in a cost-effective manner.

The focus of the fourth quarter was building sustainability for RATIN after the conclusion of EATH. A RATIN administrator's manual was developed so that the EAGC will have in-house capacity to train enumerators and data uploaders on how the system should function.

To ensure sustainability of RATIN, EAGC pursued the option of linking with other MIS service providers on a data sharing arrangement. In FY13, EAGC hosted the Market Information Sub-group under Food and Nutrition Security Working Group (FNSWG) to finalize a data sharing mechanism with EAGC. In Uganda, EAGC is part of the Agri-Profocus group. This is a network of MIS service provided in Uganda.

EATH will continue to support EAGC in establishing relationships with national policymakers and work to structure partnerships. RATIN will be discussed with Ministries of Agriculture and implementing partners in the Structured Trade Roadshows during the first quarter of FY14.

Activity 2: Build capacity within region to institutionalize structured trading systems

The Eastern and Southern Africa regions have made progress toward developing structured trading systems. In some countries, commodity exchanges have been established and the majority has implemented warehouse receipts systems to some degree both in structure and mandate. Though, most of these established systems do not function as intended and certainly do not operate in the same manner or with same efficiency compared to global best practices there is still room to be optimistic.

For value chain players to benefit from the use of structured trading systems, there are still fundamental issues that need to be addressed. Key among these issues is capacity building for better understanding of the systems purpose and its benefits in respect to the various building blocks interventions, as well as the confusion around what functions they can or cannot perform. There are few, if any, awareness campaigns in this region that addresses these pertinent issues and when there are, the message is inconsistent at best or is inaccurate.

To successfully develop the key components of an efficient structured trading system at both the national and regional level there are a number of supporting requirements that are essential:

1. An efficient enabling environment that limits political involvement in staple foods, particularly maize
2. Increased transparency in agricultural markets
3. Increased availability and use of secure, well maintained, managed and affordable storage facilities that are accessible to smallholders
4. Participation of banks and insurance companies in the agricultural sector
5. Universal awareness and adoption of regional standards and policies

Through the tasks below, EATH worked to strengthen the systems and structures required to trade regional agricultural commodities efficiently and cost effectively:

Task 1. Develop regional structured trading systems (STS) training curriculum and conduct regional training of trainers. Within Eastern Africa, there is a fundamental lack of understanding among value chain players about the role of most structured trade initiatives. Unfortunately, this is also true of those people who are most actively involved in the development and promotion of these systems. There are few, if any, training and awareness programs in these countries that tackle issues related to structured trade and where there are, the messages are inconsistent at best or inaccurate.

To address this gap, EATH and the EAGC developed a comprehensive Structured Trade training program and a comprehensive training manual covering important topics such as: warehouse receipts, commodity exchanges, storage and aggregation, grades and standards, market information, and contracts and contracts enforcement.

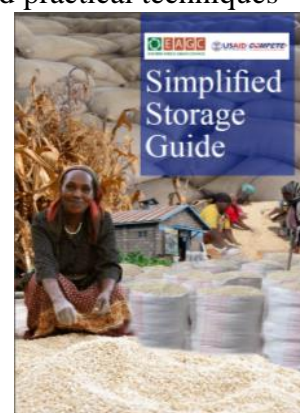
Using the training curriculum as the foundation, EATH and the EAGC have worked to develop a cadre of competent trainers of trainers (ToTs), drawn from key national and regional organizations, who can leverage their organizations, positions and networks to disseminate the building blocks of organized and structured grain trading systems across the region. Wider adoption of STS should help facilitate the integration of smallholders into the formal marketing system and increase the volume and flow of trade.

During FY13, EATH worked with the Technical Center for Agriculture and Rural Cooperation to finalize and release the Second Edition of the EAGC STS Handbook. EATH and EAGC have engaged a regional training expert to develop an STS trainer's manual based on this Second Edition of STS Handbook. The trainer's manual will harmonize the training curriculum and methodology across the region. EATH and the EAGC also developed testing materials to strengthen the STS training program. The completed testing materials are now being used in the field.

Under its grant to the EAGC, EATH helped the EAGC finalize the Simplified Storage and Warehouse Operators Guide book. This book was used to conduct two trainings in Uganda and Tanzania for warehouse operators and graders scheduled in January and February 2013. EATH trained 32 small and medium storage operators and aggregators in Tanzania and 24 in Uganda on warehouse management. Specific topics included post-harvest handling, warehouse requirements and storage best practices. The trainings offered practical techniques to minimize losses through efficient warehouse management.

The development of these STS training tools and trainings are an important step towards improving transparency in grain quality and warehouse management, areas that have generally received little attention before.

Throughout FY13, EATH continued to package knowledge management tools that document lessons learned and best practices that can serve as resources for national and regional partners looking to implement structured trading system interventions. Specifically, EATH developed a document outlining the [10 Preconditions for a Successful Commodity Exchange](#) and a [Simplified Storage Guide](#) (with accompanying [technical brief](#)), which targets small-scale storage operators and provides practical advice in an easily digestible format on how to improve quality, reduce losses and manage stocks that will help operators deliver valuable services to depositors and help them realize the benefits of storage such as higher prices. EATH finalized a [Warehouse Facility Requirements](#) checklist that accompanies the *Simplified Storage Guide*.



Task 2. Finalize analysis of collateral management models and regulatory requirements.

EATH worked with the EAGC to address the issues of storage facility standards and collateral management. EATH developed a set of minimum operating and facility requirements that will help build consistency into the region's systems and initiate the process of standardization among the region's storage operators. Rigid collateral management requirements (from regulators and banks) that oblige warehouse operators to use internationally-registered, full-service, collateral management companies drive up storage operators' costs and often make small-scale storage unviable. EATH is working to develop regional recommendations for a more flexible and cost-effective collateral management based on global best practice and tailored to suit local realities.

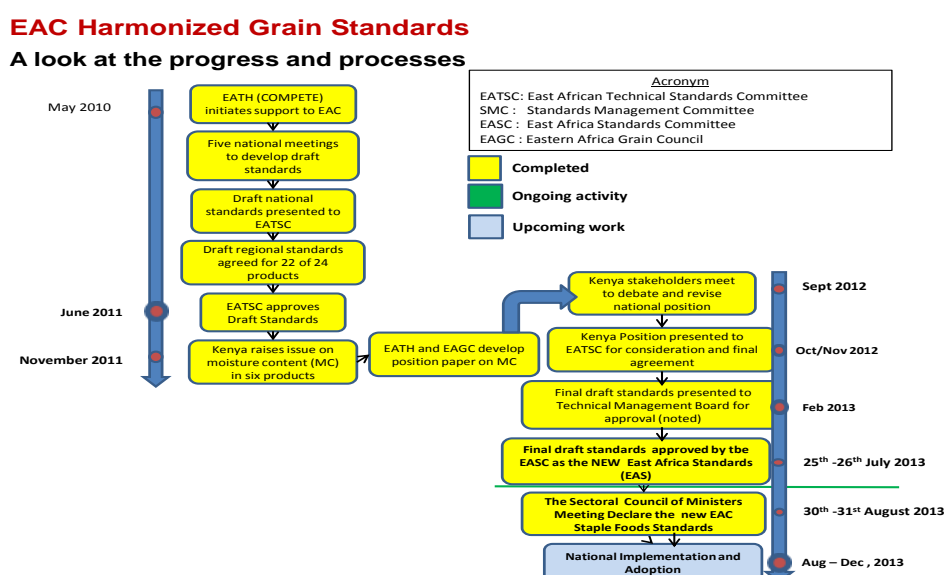
During the year, EATH completed an assessment of the region's collateral management systems. EATH summarized its findings and recommendations in a draft report which is being circulated for additional input and comment in FY 14.

Task 3. Promote consistent national implementation of harmonized regional staple foods quality standards. Quality is one of the biggest challenges to staple foods value chain integration and competitiveness. Inconsistencies from country to country within the EAC constrain regional trade. The absence of consistent standards and, more importantly, the limited awareness of existing standards among staple foods producers make transactions less transparent. This affords buyers and traders the opportunity to set their own standards and take advantage of information asymmetry to secure an advantage in the producer-buyer relationship. The benefits that accrue to producers from a more transparent quality standards system should serve as incentive for smallholders to invest in production, which should support the push for greater regional food security.

Harmonizing regional standards and driving broad-based awareness and adoption of those standards across the EAC is a critical piece of EATH's work to help improve transparency and level the playing field across the value chain. This will enable the development of key structured trading systems such as WRS and commodities exchanges that depend on consistency, reliability and standardization.

EATH has collaborated closely with the EAC and the national bureaus of standards from the five EAC countries to develop harmonized quality standards for 22 staple foods products (the standards for four processed products were gazetted in November 2012). The East Africa Standards Committee formally approved and declared the remaining 18 draft harmonized quality standards on staple foods the new East African Standards in July 2013. The standards are expected to be gazetted by the end of 2013. Figure 9 below shows the timeline and process of drafting and legislating regional harmonized standards for 22 staple foods.

Figure 10: EAC Harmonized Grain Standards Consultation and Approval Process



Since the approval of the East African Standards, EATH began to transition its harmonized standards work from a regional development initiative to supporting the implementation process at national levels. The success of this critical phase will ensure the long-term impact and sustainability of this key food security initiative. In FY13, EATH developed dissemination and awareness materials targeting specific audiences such as: producers, farmer-based organizations (FBOs), warehouse operators, traders, processors, relief agencies,

extension officers and border agents. These materials are aimed at ensuring ensure consistent national adoption

EATH, together with the EAGC began an awareness campaign on the East African Staple Food Standards. A total of 3,100 farmers were trained on standards for maize, paddy rice and beans during two Agribusiness Expos in Tanzania and Uganda in June 2013 (403 in Tanzania, and 2697 in Uganda). In addition, a total of 459 farmers from Nakuru and other counties in Kenya benefited from the training offered by EAGC and its partners during the Kenya Agribusiness Expo in Nakuru in July 2013.

During FY13, draft users/trainers guides were finalized for the following commodities based on the EAC Staple Foods Harmonized Standards:

1. Maize grains
2. Sorghum grain
3. Sorghum flour
4. Rough rice
5. Brown rice
6. Milled white rice
7. Cowpeas
8. Pearl millet grains
9. Dry beans
10. Dry Pigeon peas
11. Dry Soybeans
12. Chickpeas
13. Green grams
14. Lentils
15. Fava beans
16. Finger millet grains
17. Chick peas

The suite of awareness materials on Harmonized Staple Foods Standards includes:

East African Community Brown Rice Specifications "Use Standards, Know your Quality, Improve your Livelihood"					
	Characteristics	Description	Specification		
			Grade 1	Grade 2	Grade 3
1	Broken, %		2/100 2%	5/100 5%	7/100 7%
2	Heat Damaged Rice, %		1.5/100 1.5%	1.5/100 1.5%	2/100 2%
3	Damaged Rice, %		1/100 1%	2/100 2%	4/100 4%
4	Chalky, %		2/100 2%	4/100 4%	6/100 6%

EATH developed awareness materials for the Harmonized Staple Foods Standards that are simple and easy to understand

1. 18 producer and small trader-focused standards awareness materials that present the complex standards technical materials in an easy-to-follow graphical format (shown above),
2. 18 Trainer's Quick-Reference Guides that accompany the producer-focused awareness materials and provide detail on the definitions of each parameter,
3. 17 trainers' guides designed to help organizations or disseminators train people in how to apply the standards,
4. Technical Handbook that covers all technical specifications that targets more advanced value-chain actors (e.g. processors, large traders, relief agencies, etc.)

Content for these documents has been finalized after stakeholder review and validation in the fourth quarter.

Task 4. Develop sustainable systems for National Food Balance Sheet Committees to support the RFBS. The predominant view within Eastern Africa is that the region, has sufficient food to feed itself. However, the lack of information regarding the availability of food at both the national and regional level leads national governments to make ill-informed policy decisions that limit the movement and trade of key staple commodities from areas of surplus to areas of deficit. Import/export bans and other marketing controls, which are typically instituted out of a perceived fear of looming food shortages, are counterproductive as they serve as a disincentive to production in subsequent seasons and often lead to real food insecurity.

EATH has worked with the EAC, the EAGC, national ministries of agriculture, national bureaus of statistics, donors, NGOs and the private sector at both the national and regional level to develop, test and validate a viable and effective RFBS. The RFBS provides a monthly snapshot of the available stocks for an agreed upon set of critical staple commodities. The RFBS data collection template that EATH developed captures data on production and consumption, existing stocks, imports and exports – all critical to the creation of a complete picture of national and regional availability.

RFBS plays an important role in the competitiveness of the region's staple foods value chain. Better knowledge of regional food availability and individual country requirements will highlight trade opportunities, and should facilitate greater regional market linkages and accelerate regional value chain integration

Enhancing data reliability, consistency and efficiency: EATH worked to embed the food balance sheet methodology within national Ministries of Agriculture statistics and food security offices, where the critical inputs to the RFBS are developed. The Ministries of Agriculture in Tanzania and Uganda have allocated budgets for RFBS activities, which is a strong indicator of their belief in the value of RFBS. The Ugandan Ministry has hired 12 statisticians to be deployed at regional offices to support RFBS data collection from the district level. EATH trained and registered all the twelve statisticians on RFBS methodology and data capture.

To address inconsistent data upload, EATH worked with the EAGC to build systems at the national level to monitor data upload among registered contributors. To help encourage regular participation, EATH improved on the system to make data upload easier. EATH developed an additional web-based tool using an excel sheet to allow contributors to upload data directly to the system; this is in addition to directly accessing the EAC RFBS Portal through a secure login. The new method allows contributors to email an excel spreadsheet to an EAC RFBS email address (data@rfbs.in), which recognizes and verifies contributors' email addresses and imports the data into the database. This is premised on the fact that a contributor must have been registered in advance as a data contributor.

Figure 11: RFBS Data Collection Worksheet

Direct Email Submission

Step 1: Complete the EXCEL template

Private sector registered user fill the Excel Template

Fills a worksheet for each month with stocks, imports and exports projections

MUST fill the contributor email in each worksheet cell B2

EAC Regional Food Balance Sheet												
Contributor Email												
Year :	2013											
Month:	9											
	Maize	Wheat	Rice	Beans	Millet	Sorghum	Barley	Peas	Chic Peas	Cow Peas	Pigeon Peas	Green Grams
Stock (Brought Forward from the previous month)												
month												
From EAC												
From COMESA and SADC												
From Extra Regional sources (from outside the EAC, COMESA and												
Export Projections for Reporting												
To EAC												
To COMESA and SADC												
To Extra Regional sources (from outside the EAC, COMESA and												

NOTE :

All values are numbers representing METRIC TONNES e.g 100 not 100 MT or 100 bags or 100 kg

Step 2:

The registered contributor must then send an email to data@rfbs.in with that excel template as an attachment

Step 3: Automated Process

Every 30 minutes the system process the emails and recognizes the contributor and uploads the data

Step 4: Automated Process

The contributor will receive an email from RFBS confirming successful Email receipt

Step 5: Automated Process

The contributor will receive an email from RFBS confirming successful data upload

Capacity building efforts through training and knowledge management materials. In the second half of FY13, EATH's work in RFBS focused on awareness creation and training of the contributors to enhance their capacity to participate in populating the system with the data. To achieve this objective EATH sponsored National Food Balance Sheet Committee meetings in Burundi and Rwanda.

To complement and enable easy access to the RFBS portal, EATH developed the RFBS User Manual and Methodology Training Manual. The RFBS User Manual is a reference tool that will ensure institutionalization and sustainability of the RFBS portal. It contains the conceptual framework of the RFBS, harmonized methodology on data capture and collection for system generated reports. The manual was validated at the EAC RFBS regional meeting held in Arusha in June 2013 at the 3rd RFBS Regional Meeting. Participants at the meeting

reviewed the results of the RFBS pilot and validated the data uploaded to the RFBS portal for the period June 2012 to April 2013.

The RFBS portal was demonstrated live showing participants the capacity and capability of RFBS to generate reports on food availability in the EAC including Surplus/Deficit, Surplus History, Production Estimate, Tradable Surplus, Strategic Reserve and Carryover Stock reports, also detailed in the User Manual. The final version is now being distributed to the EAC partner states, private sector contributors and prospective contributors.

“RFBS has become part of the daily work routine in MINAGRI. High-level officials in the Ministry consult the RFBS portal regularly to inform policy decisions. Therefore, it is important for all parties to adopt the system and submit data regularly in order to have to keep the system up to date and all inclusive at best”

J.B. Habyarimana
Rwanda Ministry of Agriculture
RFBS Focal Point and
Chairman Rwanda RFBC

EATH continued to train representatives from key organizations in the RFBS methodology and system, expand the pool of contributors and strengthen national food balance sheet support structures. RFBS has proven to be an incredibly complex change-management initiative that required building a new system where none existed before. It also required embedding new processes and procedures in organizations that already had well-established processes for collecting data. In some instances, it required embedding those processes in organizations that have no processes at all. Both cases present unique challenges that EATH and its partners are learning to navigate. EATH held five national meetings in Burundi, Kenya, Rwanda, Tanzania and Uganda to upload and verify data.

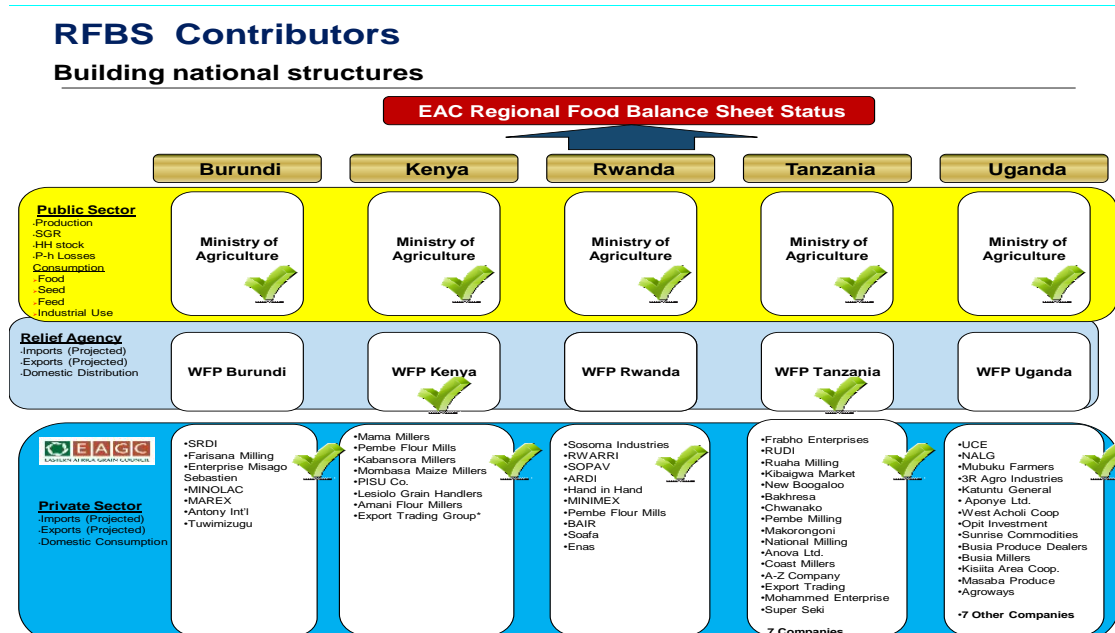
EATH with support from USAID/EA met with the World Food Program (WFP) to discuss their participation in RFBS. WFP appointed a national WFP focal point in all five EAC countries for RFBS. EATH carried out training and registration of the focal point staff in the fourth quarter. WFP Kenya and WFP Tanzania have already uploaded their respective data into the system, while Uganda, Rwanda and Burundi are processing the data internally before upload as it covers a long period from June 2012 – September 2013. WFP’s regular contribution will greatly inform regional policy and decision making around staple foods.

To increase the number of private sector registration and contributors, EATH and EAGC targeted firms that account for over 80% of the traded food items. EATH and EAGC conducted firm-to-firm training with Minimix, SOSOMA Industries, Bureau d’Appui aux Initiatives Rurales, Societe Aliments de Vegetaux and the Rwanda Rural Rehabilitation Initiative.

Thus far, the public sector has been uploading data consistently except for some intermittent gaps. Relief agencies have started uploading data successfully from the baseline period of June 2012. While private sector data was consistent through March 2013, the data submission has had gaps which are attributed to the need for increased capacity building.

Figure 12 captures the status of the region’s RFBS contributors at the end of FY13. Data from the period June 2012 to September 2013 for all contributors is indicated with a check mark and has been uploaded to the RFBS portal.

Figure 12. Data Contributors to the Regional Food Balance Sheet



The RFBS portal is an important tool for food security policy formulation, especially during seasons of food shortage. It also helps the private sector advocate for appropriate policies. EATH continues to sensitize ministries and principal secretaries in EAC Partner States on its benefits and policymaking and facilitating trade.

Task 5. Strengthen the region's SPS systems and build capacity within organizations to manage staple foods SPS monitoring. Consistently regulated and monitored SPS issues facilitate the smooth transit of safe goods across borders. The SPS systems in the region are currently disjointed and uncoordinated, which slows down intra-regional trade and drives up costs along the value chain. EATH is working with COPE and EAPIC to develop regional pest lists for select staple commodities in an effort to streamline and shorten the SPS inspection process at borders and expedite cross-border movement of staples. EATH and its partners are also working to build the capacity of National Plant Protection Organizations (NPPO) to consistently manage and monitor SPS issues for staple foods and disseminate critical information more widely and more effectively.

EATH supported COPE in the development of a regional SPS training program that covers regional trade treaties, inspection procedures, pest surveillance, pest risk analysis, and phytosanitary treatments. This training program is designed to help ensure consistent knowledge within NPPOs, help strengthen practical skills across the region in areas such as pest risk assessment and surveillance, and narrow the capacity gap between the region's NPPOs. By facilitating regional trainings, EATH and COPE are helping to increase coordination among NPPOs that should help facilitate regional policy discussions and improve the consistent enforcement of standards.

Due to the overwhelming meeting schedules at the EAC, the SPS Technical Committee validation meeting on the regional rice Pest Risk Assessment as been postponed to FY14. Once validated by the Technical Committee, the harmonized Regional Rice Pest Risk Assessment will be presented to the EAC Council of Ministers on Agriculture for adoption.

SPS COPE e-learning Portal. COPE was established by Kenya Plant Health Inspectorate Services (KEPHIS) to provide training for SPS professionals in the region and to streamline and ease the SPS inspection process at borders, which will expedite cross-border movement of staples. The EA Trade Hub continues to work with its partners to build the capacity of NPPOs to consistently manage and monitor SPS issues for staple foods and disseminate critical information more widely and more effectively.

EATH finalized the curriculum for an e-learning portal for COPE. This training course is designed as a supplementary program to the existing short-term in-service training program currently being offered by COPE. This online course will be used to deepen the trainings offered to members of NPPOs, designed to make practitioners more aware of the structure of international trade, international organizations involved in phytosanitary matters, and to fully understand how to implement Pest Risk Assessments. The Trade Hub and KEPHIS plan to launch the e-learning course and portal in early FY14.

EATH supported the **National Phytosanitary Working Group (NPWG)** meeting held in Quarter 4 at KEPHIS headquarters in Nairobi, Kenya. The goal of the NPWG meeting was to bring together institutions that deal with phytosanitary issues to share information on activities and develop strategies for better collaboration. Institutions that attended included KEPHIS, EAPIC, Kenya Agricultural Research Institute, Ministry of Agriculture, Livestock & Fisheries, National Museums of Kenya, CABI-Africa, University of Nairobi, Jomo Kenyatta University of Agriculture and Technology, and the Kenya Flower Council. KEPHIS will engage Master's and Ph.D. students to finalize the pest lists already entered into the Pest Information Management System (PIMS). This approach has been tested in Tanzania and was very successful). EAPIC will replicate this model of forming the NPWG in other East African countries with pilot programs planned in Uganda, Tanzania, Rwanda and Burundi in FY14.

Task 6. Finalize the end market assessment of the East African horticulture value chain.

Last year, EATH undertook a preliminary assessment of regional fresh fruit and vegetable trade flows across key borders. This initial study highlighted significant information gaps and informed the design of a follow-on study to develop a deeper understanding of the weaknesses and constraints affecting participants in the horticulture value chain in Eastern Africa. These two studies were designed to provide USAID/EA with the data required to inform the design of FtF interventions in line with its *East Africa FY 2011 – 2015 Multi Year Strategy*.

EATH developed survey instruments targeting actors in specific value chain segments (e.g. wholesalers, brokers, traders, transporters and producer/trade associations) and surveyed roughly 200 horticulture value chain actors in Kenya, Uganda, and Tanzania to provide deeper insights into the key trade routes for the major horticultural products in the region.

The [Fresh Fruits and Vegetable Markets of East Africa](#) study analyzed six of the most widely traded fresh fruits and vegetables: oranges, tomatoes, mangoes, pineapple, bananas and onions, highlighted main production areas, trade flows, price trends and how production is aggregated, sorted and graded, transported and sold. The report also analysed marketing channels and discussed dynamics and governance of fresh fruit and vegetable markets in all three countries. The study provided recommendations for short, medium and long-term opportunities.

2.0 Trade between the U.S. and East and Central Africa Increased

Activities designed to achieve this PIR have been primarily undertaken by the East and Central Africa Trade Hub, the third component of EATH contract. EATH's vision is to develop sustainable trade from East and Central Africa to the United States at the firm level under AGOA, thereby stimulating economic growth in the region.

2.1 Capacities of ECA countries to engage in trade negotiations increased

The success of world trade negotiations rests on the ability of developing nations to realize the benefits of participation in global trade. EATH is working to increase the capacity of the EAC and national governments to negotiate and implement multilateral trade agreements. Below are key activities and tasks during FY13:

Activity 1: Increase capacity to implement multilateral agreements

Task 1. Increase efficiency of advance rulings, appeals, and trade related information services in Rwanda. The Government of Rwanda has made great strides in modernizing customs procedures consistent with WCO standards. Rwanda acceded to the International Convention on the Simplification and Harmonization of Customs Procedures (revised Kyoto Convention, herein after “the Convention”) with the WCO in November 2011. The Convention is regarded as a blueprint for effective and modern Customs procedures, and its key elements include simplified, transparent, and predictable customs procedures; maximum use of information technology; risk management practices; institutionalized partnerships with stakeholders; and a readily accessible system of appeals. The Revised Kyoto Convention entered in force in Rwanda on February 22, 2012. Consistent with its responsibilities under the Convention, the Government of Rwanda is seeking to achieve greater efficiencies in advance rulings, appeals and timely release of trade facilitation information by the RRA.

Building on achievements in FY12, EATH has continued support to RRA in the implementation of Rwanda/USAID-Rwanda Trade Facilitation project. This support culminated in production of the following documents:

1. Revised Internal Appeals Manual (English and Kinyarwanda)
2. Independent Appeals Board Bill and Regulation
3. Advanced Ruling Regulation
4. Text for introduction of Advance Ruling provision in the EACCMA. The request to have Advanced Ruling introduced in the EACCMA was granted by the EAC Council on 10th June 2013. The text, along with other proposed amendments to the EACCMA are now with the legal team for proof reading before they are gazetted. The gazetting is envisaged in the course of 2013.

During the year, EATH also supported the development of a new website for the Rwanda Revenue Authority (RRA) Customs Services Department:

<http://origamisandbox.com/sandbox5/rwanda> In the third quarter, the English language content for the website was completed and a content management system was put in place.

Activity 2: Support regional trade associations in the negotiation of trade agreements and regulations

Task 1. Support ACTIF during the negotiations of EAC Revised Rules of Origin.

Interactions with industry stakeholders revealed that restrictive EAC regulations and practices hinder the free flow of trade within the EAC. The primary concern is the restrictive provisions, particularly the EAC ROO. The protectionist approach of EAC countries while negotiating the EAC Customs Union has undermined the effectiveness of the Union.

EATH worked with ACTIF to develop an industry position on the proposed EAC ROO for intra-EAC trade of cotton, textile and apparel. Among the key highlights of the position paper is simplification in originating criteria, with an emphasis on third country sourcing, specific processes and changes to tariff headings.

In FY12, EATH helped ACTIF submit its position on EAC ROO for Cotton, Textile and Apparel and further provided technical support during the EAC's regional meeting on the review of the EAC ROO. EATH has engaged the EAC ROO review process to ensure the industry's position remains intact. This is evidenced in the EAC ROO Sept 2013 revision which is due for approval by EAC Council in November 2013.

EATH provided technical support during ACTIF's stakeholder meeting where the revised EAC ROO for cotton, textile and apparel were presented. The presentation helped the participants to appreciate the flexibility and trade enabling conditions that were introduced in the revised EAC ROO. The most salient of these new developments was the rule allowing the use of third country fabric for manufacture of apparel that is destined for the EAC market. This has potential to stimulate growth in intra-EAC trade by over \$300 million as domestic industries respond by producing apparel for the regional market.

The EAC Committee on Customs, at their meeting in May 2013, encouraged the EAC Secretariat to sensitize the industry to the new rules. EATH continues to work with ACTIF to support awareness of the ROO that affect the sector.

Task 2. Support ACTIF and FEAFFA during the negotiations of the Tripartite FTA.

EATH is supporting ACTIF and FEAFFA in the Tripartite FTA negotiations, where the industry position has been prepared and is now due for integration in the EAC Position on Tripartite FTA. The positions are on the following chapters:

1. Tripartite ROO (special focus being on cotton, textile and fabric)
2. Customs, trade facilitation and transit

In FY12, the positions on these two areas were submitted through the Kenya negotiation team following EAC recommendation that the regional trade association (RTA) positions be communicated through national negotiating structures in the country where the RTAs are based. This has since been integrated in the EAC position on Tripartite FTA.

During the year, EATH has followed up on the Tripartite FTA negotiations where there have been significant delays in the negotiations. Substantive negotiations are expected to commence in October. The industry needs to support to ensure its interests are safeguarded under the relevant chapters, including the tariff liberalization.

2.2 U.S. and ECA Firms Taking Advantage of Opportunities under AGOA Increased

EATH's vision for PIR 2.2 is to develop sustainable trade from East and Central Africa to the United States at the firm level under the AGOA Act, thereby stimulating economic growth in the region.

EATH is a one-stop shop for businesses and national governments seeking to take advantage of trade opportunities under AGOA. EATH educates private sector groups and associations about AGOA opportunities and provides technical assistance to African firms and governments to enhance their competitiveness in global markets. EATH also promotes direct business linkages through trade shows and by supporting buyers to come to the region, which creates valuable business networking opportunities through business-to-business events and innovative workshops.

As part of our key support to firms, EATH continues to work with industry experts across all of its core sectors to provide hands-on technical assistance to promising, export-ready companies in the region. The goal is to ensure that products exported from the region to the U.S. and internationally are market ready. The increased demand and acceptance in international markets has, in turn, motivated companies to ramp up capacity to stay ahead of the curve.

Figure 13: EATH-Facilitated AGOA Exports FY 09 – FY 13

Sector	FY 09 – FY 10	FY 11	FY 12	FY 13 Q1 – Q3	FY 13 Q4	FY 13	Total to Date
Textiles/Apparel	21,104,000	31,821,000	30,550,000	24,330,000	7,450,000	31,780,000	115,255,000
Specialty Foods	970,000	780,000	25,650	1,255,000	200,000	1,455,000	3,230,650
Cut Flowers	2,600,000	1,400,000	1,450,000	1,050,000	1,250,000	2,300,000	7,750,000
Home Décor / Fashion Accessories	200,000	825,000	3,964,425	1,600,000	7,500,000	9,100,000	14,089,425
Footwear				1,500,000	3,000,000	4,500,000	4,500,000
Total	24,874,000	34,826,000	35,990,075	29,735,000	19,400,000	49,135,000	\$144,825,075

FY13 marked another very strong year of AGOA exports by EATH beneficiaries.

EATH-facilitated exports to the U.S. under AGOA totaled **\$49.1 million**, bringing the project total to date to nearly **\$145 million**. In the apparel sector, exports to the U.S. came from EATH beneficiaries in Kenya, Mauritius and Ethiopia; in the home décor and fashion accessories sector, from beneficiaries in Kenya, Uganda, Rwanda, Ethiopia and Tanzania; in specialty foods, from Kenya, Uganda and Mauritius; in cut flowers, from Ethiopia and Kenya; and in footwear, from Ethiopia.

The home décor and fashion accessories sector in particular showed a big jump in exports. 30 EATH beneficiaries sold to a broad range of buyers in the U.S., representing large retail brands and smaller niche players. U.S. buyers included: Anthropologie, Barney's New York, DANNIJO, Eileen Fisher, Global Girlfriends, J. Crew, Kate Spade, LemLem, Macy's, Madewell, Modcloth, Nicole Miller, Sam's Club, Santa Fe International Folk Art Market, Wal-Mart, and West Elm.



In FY 13, EATH visited Ethiopian clothing designers and manufacturers.

This growth can be attributed to increased interest in Africa as a sourcing location for fashion brands, an increased interest in indigenous materials and artisanal manufacturing within the region, implementation of corporate social responsibility programs, fashion trends in African textiles, and buyers recognizing Africa as a new frontier. Trends predict a continued interest in the region with corporate social responsibility programs and artisanal sourcing emerging as a marketing category with further growth potential.

Business to business partnerships continue to show a strong return on investment as a growth strategy for the sector. The buyer's trips for executives from Anthropologie and Eileen Fisher contributed \$350,000 in revenue projections through year-end 2013, with additional revenue expected in 2014. Reliance on the private-public partnership model provides confidence for these companies to invest in East Africa with the knowledge that their long term investments can effect social and economic change in the region. Since the buyers trip, these companies have demonstrated a commitment to upgrading raw materials in procurement to increase value and quality; skills training; specific marketing campaigns to promote the East Africa region; and partnership programs promoting African heritage, art and culture.

Activity 1: Increase market linkages between U.S. and global buyers and regional export-ready firms

Task 1. Participate in international trade shows. EATH organizes and coordinates Origin Africa Pavilions at trade shows as part of its market linkages strategy. It supports the development of buyer/seller relationships by providing cost-sharing support for export ready ECA firms interested in exporting to the U.S. to participate in trade shows across key sectors. In FY13, EATH helped businesses participate in the following trade shows:

Interstoff - Asia (October 3-5, 2012). Interstoff is the premier trade show in Asia focusing on the textiles and garment sector. The trade show exposes companies from East Africa to prominent Hong Kong-based buyers including the buying offices of many premier U.S. apparel companies. Outreach and market linkages in Hong Kong fills an important but as yet untapped sourcing option for African apparel producers seeking to export to the U.S. under AGOA. At the event, EATH organized an Origin Africa Pavilion, which showcased apparel producers from the region and generated new leads were generated including high-profile global retailer H&M, which is currently exploring sourcing from the region.

Fancy Foods Show – San Francisco (Jan 20-22, 2013).

Two companies participated in the Winter Fancy Foods Show in San Francisco: Labourdonnais from Mauritius, an exporter of jams, and Mavuno Harvest from Uganda, an exporter of dried fruits. Labourdonnais is busy building a brand for the U.S. market – “Plaza Tropical Paradize” – with its new San Francisco distributor, which it met through participation in the trade show. Labourdonnais expects to send its first shipment by July of this year. At Mavuno, monthly sales continue to increase exponentially. April 2013 sales hit over \$9,000. This is up from \$200 in May 2012, its first month of sales. Mavuno Harvest’s dried fruit products can now be found in six Whole Foods outlets. It is expected that Mavuno’s products will be expanded in more Whole Foods outlets as sales ratchet up and brand awareness is achieved.



Labourdonnais processing plant in Mauritius

MAGIC – Las Vegas (Feb 18-21, 2013). At the end of February, Ethiopian Leather Industries Association (ELIA) partnered with EATH to showcase their top-quality shoes at the MAGIC Sourcing Show in Las Vegas. Positioned alongside EATH’s Origin Africa booth, ELIA presented their footwear to over 50 potential U.S. clients. The multi-billion-dollar retailer Gap is interested, as are Orvis and Skechers Footwear. Harbor Imports is already on board, currently sourcing over \$80,000 a month in exports from Peacock Footwear, an ELIA member.

International Floriculture Expo – Miami (June 19-21, 2013).

For the fifth consecutive year, EATH supported an Origin Africa Pavilion at the International Floriculture Expo in Miami, Florida, on June 19-21, 2013. IFE is the premier trade show in the U.S. for the cut flowers sector, attracting over 200 leading retailers in the industry. This year, the Origin Africa Pavilion was given featured status by the show organizers in a bid to draw special attention to opportunities for importation of African-cut flowers. EATH teamed with Sun Kissed Flowers, a U.S. importer of fresh-cut flowers from Ethiopia. Having taken note of the Origin Africa Pavilion in previous shows, the group approached EATH about working together given the shared goal of promoting East African flowers exports to the U.S. market.

“I can’t thank the East Africa Trade Hub enough for collaborating with us. The exposure we have received through the well-established Origin Africa Pavilion has been invaluable. It will surely mean more business, which in a word is increased exports of Ethiopian cut flowers to the United States.”

Willum van den Hoogen,
President of Sun Kissed Flowers

Working with two Ethiopian farms, Abyssinia Flowers and AQ Roses, Sun Kissed recently launched a pilot program to bring flowers directly into the U.S. market via direct flights from the country’s capital city Addis Ababa to Washington, DC.

MAGIC - Las Vegas (August 18-21, 2013). EATH took its high profile Origin Africa campaign to the MAGIC trade show in Las Vegas, Nevada. Building on its consistent presence at MAGIC over the past several years, EATH highlighted a wide range of apparel and fashion accessories companies in East Africa.

EATH also showcased the Ethiopian footwear industry through the participation of two leather footwear companies and the Ethiopian Leather and Footwear Association, which displayed shoe samples of an additional twelve Ethiopian factories. Ethiopia is currently the largest footwear exporter to the U.S. under AGOA. As Ethiopian footwear gains greater traction with U.S. buyers, these numbers are expected to increase exponentially.

Overall, MAGIC reports that the August show was the largest and most widely attended since 2009. EATH has firmly established the Origin Africa brand at MAGIC. East African companies reported excellent contacts made with U.S. buyers seeking out the Origin Africa pavilion.



EATH attended the MAGIC Trade Show in Las Vegas where it promoted brands under its Origin Africa campaign.

Task 2. Conduct inward buyer missions. EATH organizes targeted, sector-specific missions made up of motivated U.S. buyers interested in sourcing from Africa. In Quarter 4, EATH supported two buyers missions in the home décor and fashion accessories sector: first from the Urban Outfitters/Anthropologie retail group, followed by another U.S. retailer, Eileen Fisher. The goal of the visits was to connect export-ready manufactures and suppliers to the American retailers. The Trade Hub led delegations from both companies to Ethiopia, Rwanda and Tanzania.

The trip was Anthropologie’s first to East Africa. A delegation of four senior executives met with designers and manufacturers to assess opportunities for trade relationships. Anthropologie, which was so impressed with the six vendors they visited, have planned a second buyer’s visit to the region.

For Eileen Fisher, it was the retailer’s second visit to the region. Their first visit, in October 2011, was also facilitated by EATH. The company aims to expand product categories like jewelry and knitwear. This trip included an expanded team which focused on evaluating manufacturing practices, human rights, working conditions and environmental sustainability. The interest in how the products are produced was evident to the vendors who appreciated the company’s interest in the process as much as the product. The delegations also met with Milles Collines in Rwanda, Tanzanian fashion designer

“The trip was a tour de force-a life changing adventure. For a designer there is nothing more moving than seeing your ideas come to life from the talented hands of beautiful people. From fine cotton weavers in Ethiopia to the women of Rwanda-all their stories are part of the product and that is luxury.”

Sebastian Brauer
Senior Designer for Accessories
Anthropologie

Doreen Mashika, and Ethiopian exporters Muya and Sammy Handmade.

American consumers are becoming more market savvy. They are attuned to where products are sourced and how they are made. EATH is making this possible by connecting U.S. buyers to unique, high quality products that reflect African culture and values.



An EATH organized buyers mission brought a team from Eileen Fisher to Mille Collines in

Sammy Abella, founder of Sammy Handmade in Ethiopia, sums it up when he says of the high-level visits: “It shows the commitment and long-term plan both companies have to sustain working relationships for the long haul. We all looked at product development, production, employment, environment and facilities to explore how to improve, maintain and build our capacity. This visit taught us how to upgrade and take our company’s standards to a higher level.”

Task 3. Facilitate Origin Africa Events. EATH has established Origin Africa as a “Go To” industry resource for Africa’s textiles, apparel and home décor and fashion accessories sectors.

Swahili Fashion Week – Dar es Salaam (Dec 6-8, 2012). Under its Origin Africa initiative, EATH attended and sponsored Swahili Fashion Week in Dar es Salaam. EATH presented the Origin Africa award to Tanzanian designer Ailinda Sawe for her innovative designs. The award enabled Ms. Sawe to show her collection at the AGOA Forum in Ethiopia.

Origin Africa: Friends of Africa New York (Apr 22, 2013). Origin Africa brought its message - *Africa is the New Frontier for Business* - to New York City in April. Held in the famed Paramount Theatre at the Hard Rock Café in Times Square, the event brought together African designers, manufacturers, exporters and U.S.-based buyers, retailers, as well as other interested stakeholders. Organized in a panel format, the discussion sought to create a dialogue about the future of business in Africa among selected African business executives and U.S. companies seeking to increase their commercial engagement with Africa.

New York was chosen as the location for the event because most major American companies and brands with business interests in Africa are based there. Attendees included many of the companies which make up the Friends of Africa Board of Advisors, a cross-section of business leaders in the U.S. who are contributing their knowledge and expertise to guide Africa through its growth as a global sourcing destination. While Origin Africa has held a number of high-profile events in Africa (trade expos/seminar series/designer showcases), and Origin Africa Pavilions are regularly organized at key trade shows in the U.S., Europe and Asia, many of these leading business executives called for a more focused two-way discussion about trade with Africa.



Origin Africa New York panelists discuss doing business in Africa

It is not a cliché to say that Africa's time is now. Africa today can be found in cutting-edge fashion, modern accessories, across media platforms, and in the unique foods we eat.

Panelists at the New York event shared some of these compelling stories – the opportunities seized, as well as, the challenges – and why Africa should, at the very least, be on the radar of any global company in the 21st century. The panel discussion was moderated by Annie Balliro, the Senior Director of Global Brand Philanthropy at Hard Rock International, and included both African and U.S.- based business

professionals: Hiyaw Gebreyohannes, Founder and Chief Executive of Taste of Ethiopia, a U.S.-based specialty food company; Anill Joyram, Chairman of Candytex Group of companies based in Mauritius; Doreen Mashika, Founder and Designer of Doreen Mashika Zanzibar; Melanie Reichler, Vice President of Product Manufacturing/Sourcing at EDUN, a U.S.-based brand; Jim Thaller, Managing Director of Talier Trading Group, a U.S.-based specialty foods development company; and Mark Walton, Managing Director of Onyx Global Marketing, Inc., an advertising and marketing agency focused on Africa.

From the emerging designer/entrepreneur, to the large capacity exporter, to the niche brand in the U.S., Africa presents huge, untapped potential. The event focused on the question of how to translate that opportunity to meaningful, transformational business. For the panel, the answer is to start small; allow the business relationships to develop; be mindful of the challenges faced in Africa (and yes, incorporate some flexibility in business planning), but with an eye to the rewards. For every large apparel factory in Kenya, for instance, selling in volume to the U.S. under AGOA, there is a small-scale entrepreneur who is demonstrating the design capabilities and creativity of the new Africa. These entrepreneurs are increasingly attracting the attention of U.S. brands. EDUN is a good example. Through two different business relationships, both facilitated by EATH, EDUN is now producing t-shirts made in a factory in Kenya and selling high-end fashion accessories made by Tanzanian designer Doreen Mashika

A collective challenge was proposed to the participants of Origin Africa New York: look to develop or purchase one item produced in Africa. Companies as diverse as Anthropologie, Nicole Miller, J. Crew, and Eileen Fisher are doing just that. They are making small steps towards greater corporate engagement with Africa that incrementally, are changing the landscape of U.S.-African business ties.

Origin Africa Designer Showcase at the AGOA Forum (August 12, 2013). The Origin Africa Designer Showcase took center stage at the AGOA Forum gala dinner on August 12 in Addis Ababa, Ethiopia. The event showcased the innovation, resourcefulness and creativity of African designers.

The Designer Showcase event was a collaborative partnership between EATH and its trade association partner, ACTIF. Approximately 460 high-ranking Ethiopian and U.S. government

officials were in attendance, along with representatives from nearly all 39 AGOA - eligible countries.



The parade of designs at the grand finale of the AGOA Forum 2013 Origin Africa Designer Showcase.

Eight designers showcased their collections and highlighted the creative opportunities that Africa offers international buyers. The event was a high calibre showcase and has received laudatory comments from many circles. As one attendee said, in line with Origin Africa's central goal of changing perceptions about Africa, "It was a perspective changing event."

Activity 2: Provide training and conduct workshops on exporting to the U.S. under AGOA

Task 1. Conduct Origin Africa workshops. EATH organizes workshops to share knowledge and expertise on exporting to the U.S. under AGOA, both for business communities throughout the region and at key trade shows targeting international buyers.

Interstoff - Asia (October 3-5, 2012). On October 4, EATH conducted a workshop - "Evolving Africa - Duty Free Access to the US Market for Fabrics and Garments" - which reinforced opportunities under AGOA's third-country fabric provision that was recently extended until September 30, 2015. Attended by 50 business persons, the workshop detailed the third-country fabric provision, which enables AGOA-eligible countries to continue to source fabrics from anywhere in the world for their US-destined apparel under AGOA. This is critical for African exporters' ability to continue to export to the U.S. duty-free under AGOA.

Swahili Fashion Week – Dar es Salaam (Dec 6-8, 2012). On December 7, EATH conducted a workshop, "Integrating Design and Marketing and Exporting to the U.S. Under AGOA", for the design and business communities participating in Swahili Fashion Week. The workshop, which was attended by 55 business persons, focused on AGOA, exporting to the U.S, the cotton-textiles –apparel value chain in Tanzania, and bridging the gap between design and marketing.

Mauritius AGOA Strategy (March 14, 2013). In March, EATH traveled to Mauritius to present a draft of the Mauritius AGOA National Strategy to public and private stakeholders. The Mauritius International Trade Division of the Ministry of Foreign Affairs hosted the event. The Mauritius AGOA strategy was well received and was shared at the 2013 AGOA Forum.

AGOA Forum 2013, Addis Ababa. In addition to full participation in the 2013 AGOA Forum in Addis Ababa in August, EATH participated as panelists on a breakout session entitled: “Strengthening Textile and Garment Manufacturing Industries to improve African Exports to the U.S”. Panelists discussed market access, policy environment, and incentive packages. They also presented on achievements, challenges, enabling environment and solutions. The panel was well attended by public and private sectors delegates, as well as members of the civil society organizations.

Task 2. Provide firm-level assistance. EATH has worked intensively with companies in the region to improve quality and adapt its products to U.S. trends and market requirements.

EATH has worked intensively with companies in the region to improve quality and adapt its products to U.S. trends and market requirements. As a result of technical assistance provided by EATH to Beza Mar, an Ethiopian honey exporter, honey totalling over \$1 million has been exported from Ethiopia to the U.S. over the past three years. EATH directly assisted Beza Mar in its branding, pricing and co-packaging strategy. Now, Beza Mar is exporting bulk honey, utilizing a co-packager in the U.S., and then selling its branded honey through retail outlets across the U.S. EATH will develop this story more fully for public consumption as it demonstrates the successful entry of a new product from East Africa into the U.S. market as a result of consistent, targeted firm-level support.



EATH has worked intensively with new beneficiaries such as Katchy Kollection of Kenya to improve quality and adapt its product selection to current U.S. and European styles/trends. The results have been immediately apparent. At the Tendence trade show in Frankfurt in September 2012, Katchy Kollections secured multiple international orders. Another example is Doreen Mashika. EATH linked her with the Bedi factory in Kenya to provide capacity that she could not find locally in Tanzania. As a result, she now has the ability to service growing orders from large retailers.

African Women’s Entrepreneurship Forum Kenya Chapter (May 8, 2013). EATH participated in the launch of the African Women’s Entrepreneurship Program (AWEP) Kenyan Chapter held at the American Embassy in Nairobi. The U.S. Ambassador to Kenya, Robert F. Godec, officially launched the program. The African Women’s Entrepreneurship Program was created in July 2010 by then Secretary of State Hillary Clinton. The program builds networks of women entrepreneurs across sub-Saharan Africa so that they can

transform their societies through small-and medium-size businesses then reaching out to their communities.

EATH trains women entrepreneurs and provides hands-on technical assistance to help them tailor their products to international standards and client specifications, then links them to external markets. In a very tangible way, EATH provides the tools to AWEP entrepreneurs to compete in international markets.

Since 2009, EATH has directly facilitated over \$144 million in exports to the U.S. and supported hundreds of women entrepreneurs, many of them AWEP members. AWEP Kenya Chairperson Zohra Baraka credits EATH with giving critical international exposure to her company, Mohazo Limited, and helping it to gain new business in the United States. EATH has also helped several AWEP women entrepreneurs to break into the U.S. market for the very first time. EATH beneficiary and AWEP member Jennifer Mulli and her company, Katchy Kollektions, is now exporting to new international markets, including the U.S. under AGOA. To meet growing demand, Katchy Kollektions now employs 35 women, mostly from Ukambani, a marginalized community in Kenya, and is currently re-locating to an Export Processing Zone location in Nairobi.

Trade Hub Beneficiaries: Fueling Broad-based Economic Growth Across East Africa

Sammy Handmade/Ethiopia. Export revenue for this Hub beneficiary has increased from about \$30,000 in 2006 to \$250,000 in 2011. The company currently employs 43 permanent staff and 152 sub-contracted artisans. Recently through linkages created by EATH, U.S. company Eileen Fisher ordered 1,700 pieces of scarves from Sammy Handmade, generating about \$47,600 in sales. Eileen Fisher has ordered again close to 4,500 pieces of scarves for next sales season valued at \$125,000 - creating long term sustainable employment for many artisans.

ELIS Group/US. The ELIS group is now buying uniforms and rental bed linen from Ethiopia, a result of matchmaking at the Origin Africa Ethiopia 2012 Trade Expo. Based on the company's forecast, it will buy 800,000 units in 2013, which amounts to \$4 million.

Ashton Apparel/Kenya. TSI, a U.S. company and member of the Friends of Africa, has placed its first order (two containers of t-shirts) with Ashton Apparel in Kenya, a result of matchmaking at the Origin Africa Ethiopia 2012 Trade Expo. The value of the deal is \$220,000.

UAL/Kenya. One of the largest Kenyan exporters of apparel, UAL, relies to a large extent on imported third country fabric and exports virtually 100% of its products to the U.S. under AGOA. The company has been certified by a number of large U.S. retail chains. UAL is an example of a company that has thrived as a result of AGOA and passage of the third country fabric provision extension. Currently employing approximately 4,500 workers, UAL management states that it has to "run to keep pace with demand" - it is shortly adding over 2,500 new employees to staff a third factory in its EPZ location, bringing its total work force to over 7,000. EATH support to UAL dates back several years, and includes trade expos, buyers missions, matchmaking and technical assistance.

ORVIS/US. The ORVIS group remains strong in Mauritius, developing new products made of cashmere and cotton. It imported \$2,500,000 worth of apparel from Mauritius during the quarter. This is significant because the company is now sourcing luxury blends, which demonstrates Mauritius' ability to serve high-end retail markets.

Doreen Mashika Zanzibar/Tanzania. DMZ sales volume has become significant, a result of participation in sponsored trade shows and introduction to Bedi Group as its regional manufacturing partner. DMZ's capacity via the latter has allowed it to take on these new orders from the likes of Edun, Anthropologie and Eileen Fisher. The deal with Edun was a direct result of the Origin Africa Ethiopia 2012 event. This is significant in that it provides high-profile exposure for the DMZ brand directly to U.S. consumers. DMZ also has a new client in South Africa as a result of participation in the Origin Africa 2012 event.

Mavuno Harvest/Uganda. Mavuno Harvest is new to the specialty food industry. The all-natural, organic dried fruit it sells is sourced directly from small scale farmers in Kenya and Uganda. EATH provided technical assistance to Mavuno Harvest and sponsored it to participate in the Washington, D.C. Fancy Foods Show. Mavuno Harvest sales have grown every month since inception, and the company has just secured its first volume order with Whole Foods Market. EATH sponsored Mavuno Harvest's participation in the upcoming San Francisco Fancy Food Show in January 2013.

3.0 Increased Capacity of African Regional Partners

EATH's partners face a range of challenges as they struggle to thrive in complex economic, political, social environments - constrained by resources, policies, bureaucracy and human resources. EATH strives to build the capacity of partner institutions by preparing them for independence through the development of institutional governance capability, experience, capacity and credibility. EATH encourages partners to take the lead in all aspects of their day to day business and in catalyzing the relationships necessary for upgrading the value chains or sectors they represent. Aside from using the CISM tool, EATH increases the capacity of local organizations by working alongside them, with support from the Partnership Fund, to implement technical tasks to achieve the PIRs above.

Activity 1: Assess institutional capabilities of key partners and jointly identify improvement initiatives

To establish the capability and sustainability of partner institutions, EATH utilizes CISM, a unique institutional governance framework that was developed by the program based on industry best practices and the widely used maturity model approach for organizational development.

This CISM sustainability assessment tool is used to evaluate institutional capabilities in the areas of strategic governance, planning, project management, performance monitoring and accountability, as well as the management of its critical resources including finances, human resources, social relationships (membership and stakeholders) and knowledge management.

Task 1. Conduct institutional assessments and evaluate institutional capabilities and sustainability. EATH continues to work with several key partners to strengthen their technical and institutional capacity and conduct final follow-up analysis for the key regional trade associations that provide information on the progress and status of each institution. This includes assessments

AFCA. In the beginning of FY13, EATH completed a final CISM assessment and capacity benchmark analysis of AFCA, confirming strong financial systems, strong leadership, an efficient secretariat, and a solid net revenue stream stemming from its annual conference and trade-expo event. AFCA passed the graduation threshold, and no further direct interventions are envisaged.

ACTIF. In the beginning of FY13, EATH carried out an institutional sustainability assessment of ACTIF, to establish the association's organizational capabilities in order to enable the development of a roadmap for growth to sustainability. ACTIF's CISM assessment focused on the operations of the association's secretariat, its governance structures and its interactions with partners and other stakeholders, as well as the status of its critical organizational resources (finances, people, social influence and knowledge).

The CISM baseline benchmarks clearly identified that the main issue that needed to be addressed was ACTIF's financial vulnerability. The need to urgently commence initiatives to start addressing this constraint, and to develop internal revenue generation sources that recover the overhead costs for implementing partner programs, was a clear priority. In Q3, areas of focus, reported on in the institutional capacity development section below, included a membership engagement drive, publication of the 7th edition of Cotton Africa magazine,

AGOA outreach to enhance the value of AGOA post-2015, and putting in place arrangements to hold an Origin Africa Designer Showcase at the AGOA Forum 2013 in Addis Ababa, Ethiopia.

Task 2. Support countries to draft/revise AGOA competitiveness strategies. Reflecting the strategic needs of national governments and regional institutions in approaching the U.S. market, EATH undertakes strategies that look specifically at competitive and comparative advantages under AGOA. In FY13, EATH updated two strategies, the Mauritius strategy, a deliverable under the US-Mauritius Trade and Investment Framework Agreement (TIFA), and the Kenya strategy.

Revise Mauritius AGOA strategy. As a deliverable under the US-Mauritius Trade and Investment Framework Agreement (TIFA), EATH assisted Mauritius to develop a revised National AGOA Strategy. In developing this work, EATH signed a MOU with the Ministry of Industry of Mauritius, and in November 2012, commenced work on the first phase of the process. Meetings were held with the Ministries of Commerce and Foreign Affairs, Ambassador Villarosa at the U.S. Embassy and public and private sectors stakeholders to take note of proposed and recommended solutions, and ensure that the proposals were realistic and verifiable over time, with clearly defined deliverables.

In Q2, the EATH AGOA Support Team visited Mauritius at the invitation of the International Trade Division of the Ministry of Foreign Affairs and presented a draft of the Mauritius AGOA National Strategy at a meeting of sixty stakeholders from the public and private sectors. In Q3, final input and contributions were received from stakeholders, and the revised Mauritius AGOA National Strategy was finalized, adopted and published. The strategy document is posted in the [Knowledge Center](#) of EATH website.

Uganda AGOA strategy. In Q3, EATH AGOA Support Team visited Uganda to consult with stakeholders, and commence work on developing the strategy. However, the Government of Uganda was seeking technical assistance that would encompass a holistic approach to include implementation of strategies identified. In FY14, EATH will support Uganda by developing a Cotton, Textile Apparel study to be incorporated into the overall AGOA strategy.

Activity 2: Undertake human and institutional capacity development initiatives

Task 1: Identify technical support interventions and implement recommendations. Aside from using the CISSM tool, EATH identifies capacity enhancement opportunities by working alongside local organizations, with support from the Partnership Fund, to implement technical tasks to achieve the PIRs. Whether identified through CISSM or working alongside a partner, EATH jointly identifies interventions with its partners and marshals the resources to implement them. Below is a summary of support provided during FY13.

ACTIF. EATH has helped ACTIF become the institutional platform for the development of the fiber, textiles and apparel industry in the region and the continent, it serves as the credible source of regional trade and market information, provides evidence-led policy and advocacy direction, and institutes measures to improve intraregional dialogue and trade, improve regional and national policies affecting trade, and enhance trade linkage mechanisms and information dissemination practices to increase access to markets.

The institution has been a beneficiary of EATH grant funding since July 2009, which has enabled ACTIF to set up a fully-fledged secretariat, to actively engage in advocacy on behalf of its members and to promote Origin Africa – a campaign designed to raise awareness about Africa as a sourcing destination and to change perceptions about doing business in Africa.

Although a nascent association in terms of institutional capacity, ACTIF is rapidly gaining recognition and momentum as the “go to” point for the cotton-textile-apparel sectors in Africa. Key to EATH’s approach is building ACTIF’s technical and organizational capacity, with a focus on providing new and innovative member services and on becoming more self-sufficient and sustainable.

In March 2013, EATH awarded ACTIF with a six month grant of US\$ 175,557.20 under the Partnership Fund. ACTIF is a key partner in the textile and apparel sectors and has been tasked with taking the lead in private sector participation in enhancing regional trade and integration in the region.



EATH is supporting ACTIF’s efforts to expand its membership base

Support under the grant includes: institutional capacity strengthening, a membership engagement drive to boost membership and revenue streams, AGOA outreach to enhance the value of AGOA under the current provision, developing and enhancing value added products and services for members, leveraging the development and publication of the Cotton Africa Magazine to inform stakeholders and generate revenue, and an Origin Africa Designer Showcase at the AGOA Forum 2013 in Addis Ababa, Ethiopia.

As a result of the grant, ACTIF increased its membership by 9 members which has both strengthened institutional capacity and revenue stream. ACTIF also strengthened ties with West African fibre producing countries through its first regional meeting in West Africa. ACTIF signed an MoU with the East Africa Business Council to collaborate on issues and policies affecting the CTA value chain. This partnership has increased ACTIF’s regional profile. Finally, ACTIF diversified funding streams through partnerships with other funding agencies including the Business Advocacy Fund and Innovative Partnerships for development which will strengthen its sustainability strategy.

AFCA Taste of Harvest initiative (ToH). Over the past year, EATH has supported the AFCA to document and institutionalize its Taste of Harvest (ToH) systems and build ToH into a strong regional brand that effectively leverages and disseminates the unique data that it collects each year during ToH to more effectively market the region’s coffees and deliver real value to both producers and buyers. As part of that capacity development process, EATH helped AFCA develop a database for all ToH data along with an integrated content management system that is integrated with the [Taste of Harvest Portal](#).



EATH provided support to the AFCA to refine the ToH Portal and develop backup systems for use when internet and mobile links are down. EATH also developed an AFCA ToH Portal administrators' training manual and conducted a training for all AFCA staff involved in TOH to ensure that they can effectively manage the back end database, maintain the website/user interface, calibrate the system for each competition, and manage each ToH event. EATH and AFCA also trained judges and tested the judges' scoring application and the broader system in real-time during the Malawi, Zambia and Tanzania events. Feedback received from users helped refine the system and make it more user-friendly. In Q2, EATH made a final handover of the ToH Portal Administration and documentation to AFCA.

10th African Fine Coffee Conference & Exhibition. Held in February 2013 in Kampala, Uganda, this annual AFCA event is Africa's largest coffee trade platform that brings over 2000 regional and international coffee roasters, traders, producers, professionals and connoisseurs under one roof. EATH was a gold sponsor of the event, and supported the Africa Taste of Harvest cupping competition, which was held alongside the main event.

Coffee Quality Institute (CQI). Since 2009, CQI, EATH and the African Fine Coffees Association have collaborated on specialty coffee training and assistance programs to benefit the coffee producing countries of East Africa. The goal is to give all EA coffee producing countries the opportunity to maximize their effectiveness in the marketplace and award benefit to the entire coffee value chain. The three areas of focus for this partnership are: *Q Coffee System expansion; collaboration and support of AFCA and; competitive development strategies for fine Robusta coffees.*



Mbula Musau (far left), CQI's newest Q Instructor.

The Q Coffee System provides an internationally recognized system to identify and grade coffee samples, and differentiate high-quality coffees with scores that can be presented directly to buyers. The foundation of the Q Coffee System is to train and license individual cuppers as Q Graders (Arabica coffees) and R Graders (Robusta coffees) to professionally grade coffee using SCAA cupping protocols.

During FY13 five regional CQI trainers trained 11 new assistant Q Instructors in a Train-the-Trainer course and eleven new regional instructors in Uganda, increasing the pool of regional assistant instructors-in-training to 24. These 24 trained regional assistant instructors are able to organize and execute basic cupping training as part of their Q Instructor Training.

EAGC. The EAGC is a key partner in the staple foods sector and is responsible for private sector participation in enhancing regional trade in staple foods. In FY13, EATH awarded the EAGC with a grant (US\$ 377,913) under the EATH partnership fund. Support under the grant awarded in November 2012 includes institutional strengthening, strengthening structured trading systems, integrating and strengthening the generation, dissemination and coordination of regional market intelligence systems through RATIN, further developing the RTVT at selected storage facilities, and work on the RFBS. Many of the activities listed are carried out in collaboration with the EATH team who serve as technical mentors to the association.

During FY13, EATH provided direct technical assistance in the following areas:

1. **RFBS**. EATH continued to build the capacity of EAGC's country representatives to lead and coordinate the private sector component, feeding into the national food balance sheet statistics. Supported by the respective ministries of agriculture and the private sector, national food balance sheet committees were mobilized in Rwanda and Burundi. Trainings were conducted and data has now been uploaded into the system.

In Kenya, the EAGC partnered with the Cereal Millers Association (CMA) to aggregate private sector millers wheat and maize stocks for RFBS upload, and to synchronize the CMA system with the RFBS portal. EATH also supported the EAGC and CMA in holding CEO's breakfast meetings with grain industry leaders in Nairobi and Mombasa, to update the industry on the current status of the EAC RFBS process, highlight the roles of the various stakeholders, discuss opportunities and challenges with data provision, and secure the commitment of the industry to the RFBS process.

2. **RTVT**. Following the launch of RTVT in selected warehouses in the region, EATH and EAGC conducted final system tests, and RTVT is now fully integrated within the RATIN framework.
3. **RATIN**. EATH continued support for EAGC's efforts to identify potential national-level partners that can enable them to expand RATIN in a cost-effective manner, and solidify RATIN's position as the region's leading MIS platform. In April, EAGC signed an MOU with the Eastern Africa Farmers Federation, a partnership that will ensure expansion of the regional coverage through RATIN, and widen the scope of dissemination.

FEAFFA. FEAFFA represents the clearing and forwarding industry in East Africa and is one of the key regional transit trade associations that has benefited from two EATH Partnership Fund grants. EATH's partnership with FEAFFA is designed to help it build the capacity of freight forwarding agents across the region.

With EATH financial support and technical guidance, FEAFFA established an independent secretariat, hired qualified staff, developed a strategy, realigned its work to more closely fit its mandate, and developed and launched a code of conduct for members, among other activities.

EATH continues to provide support to FEAFFA to develop a variety of policy position papers, to be used to engage revenue authorities and the EAC secretariat in its advocacy efforts to improve the business and regulatory environment in the EAC. This includes policy positions covering certain restrictive and punitive rules contained in the EAC Customs Union regulations that inhibit competitive trade. EATH also continues to work with FEAFFA to raise private sector awareness of RADDEx.

In FY13, EATH provided assistance in the following areas:

1. Supported FEAFFA and the Tanzanian Association of Freight Forwarders Association, an affiliate of FEAFFA, in holding the Regional Africa Middle East Freight Forwarders Conference held in Dar es Salaam, Tanzania on June 19-21, 2013. The conference was the first time freight forwarders around the world convened in East Africa for a major

industry event and attracted over 300 participants including ambassadors, government officials, private sector delegates and trade representatives from around the globe. The objective of the conference was to share knowledge and experience of international best practices on international transport and freight forwarding. The conference enabled East African freight forwarders to reach consensus on key policy issues including One Stop Border Posts, the East African Customs Territory and cargo tracking.

2. EATH provided technical support for the review of the FEAFFA business / sustainability plan for 2013-2017. The plan was reviewed by all five East Africa National Boards, the FEAFFA Board, the FEAFFA Secretariat and other stakeholders. The validated plan is intended to put FEAFFA on the track toward sustainability post-EATH funding.

KTA. KTA, an association of road transporters, aims to instil safety, discipline and professionalism in trucking and to provide a single, authoritative voice on issues of importance regarding road transport

EATH supports KTA in establishing the East Africa HCV driver's training school to combat driver error and improve road transport. The driving institute has been established as an affiliate of KTA, operating as a revenue generating centre complete with separate bank accounts and systems. The school will teach advanced driver training using modern driving simulators. EATH supported the purchase of three simulators and identified and finalized the procurement of the premises ensuring that they met supplier specifications.

EATH support to KTA to operationalize the East Africa HCV Driver Development Institute. During FY13, EATH helped KTA operationalize the training institute. EATH provided support to the KTA Secretariat and held a workshop in Mombasa to review the Institute's new curriculum with stakeholders from the transporting industry. Stakeholders included transporters, Kenya Maritime Authority, and the Transit Transport Coordination Authority of the Northern Corridor. The workshop achieved the following:

1. Presented the Institute's vision and mission to a wide audience of stakeholders
2. Reviewed the industry's capacity gaps which will be addressed in the curriculum
3. Gathered feedback from stakeholders and made relevant improvements and additions to the curriculum
4. Engaged stakeholders on emerging trends and the future of transport industry

On June 20, 2013, the KTA Board of Directors met with the Director General of the Kenya National Transport and Safety Authority at EATH-supported HCV Driver Development Institute in Mombasa, Kenya. The objective of the meeting was to ensure that the institute's curriculum is in line with a new curriculum for driving schools being developed by the Kenyan Government and also to discuss broader transport policy and safety. The Director General of the NTSA promised to



KTA assessed the competency of 48 drivers using the Institute's state-of-the-art driving simulator

collaborate with KTA in ensuring the school is a success. The NTSA was established last year and became operational in April 2013. The authority advises and makes recommendations to the Cabinet Secretary for Transport on matters relating to road transport and safety.

In May 2013, KTA opened its HCV Driver Development Institute doors in Mombasa, Kenya to Total Kenya and Bamburi Cement (Lafarge), the largest oil company in East and Central Africa and the largest cement manufacturer in Africa, respectively – both major users of East African transport corridors. KTA assessed the competency of 48 drivers (24 drivers a day) using the HCV Driver Development Institute's state-of-the-art driving simulators and created a pilot program for future partnership. EATH and KTA hope that this is the beginning of a lasting partnership that will both enhance the competency of East African transporters and ensure the sustainability of the KTA HCV Driver Development Institute.

Total Kenya's program, Safe Way Right Way, has made a pledge to pull in additional East African businesses to take the Institute's competency assessments and North Star Alliance, an African-wide safety and driver welfare program funded by the World Bank, has pledged to provide a medical officer to be stationed at the Institute. In July 2013, SWRW pledged to send over 7,000 of its drivers to the institute to be trained over a period of one year. These drivers would be drawn from: Lafarge/Bamburi Cement, Bollore /SDV Transami, DHL, DT Dobie, East African Breweries Limited, TOTAL, Finlays, Roy, Transmotors and Roy Haulers. This agreement is on condition that the existing capacity of the institute is ramped up. If this business is secured it would guarantee the institute a turnover of over \$ 500,000 in one year.

EATH has also commenced the process of establishing the administrative instruments for managing the institute which will be put out in the form an operations manual. The EA HCV driver development institute will serve as a centre of excellence for the region and will also provide a revenue stream for the sustainability of KTA. In September, EATH assisted KTA in completing the requisite business registration formalities with the National Industrial Training Institute, the National Transport Safety Authority and municipal council licenses.

Consultative meetings on KTA HCV Driver Development Institute with the Mombasa Provincial Traffic Commandant and Kenya Red Cross. In September 2013, EATH met with the Mombasa Traffic Commandant Mr. Martin Karuri who provided valuable guidance on issues concerning driver training. EATH also secured commitment from the police to facilitate training on traffic laws. EATH also met with the Kenya Red Cross who agreed to partner with the Institute and deliver first aid training.

Uganda Shippers Council (USC). Formed in 2010 with support from the Inter-Governmental Standing Committee on Shipping and USAID, the USC's mandate is to serve the interests of cargo owners, and in particular, to advocate for improved infrastructure and policy environment along the Northern Corridor, on behalf



Commissioner of External Trade, Silver Ojakol, Ministry of Industry and Trade, officially opens new USC office in Kampala, Uganda.

of shippers in Uganda, Rwanda, DRC, South Sudan and Burundi.

Since its formation, the USC has operated without an office. EATH recognized that this was a serious inhibiting factor, limiting the effect and value the Council could provide to its members. In February, USC officially opened its new offices in Kampala. This was made possible by EATH Partnership Funding of \$40,000, which provided USC with a better equipped office and new IT and office equipment required to conduct business. The USC will use its new office to increase its membership and deliver enhanced and more efficient services to Uganda's cross-border traders.

EATH efforts realize a regional shipper's council. On April 30, 2013, previous EATH grantee, Kenya Shipper's Council (KSC), changed its name and re-launched as the Shipper Council of East Africa (SCEA).

The SCEA is a business membership organization whose mandate is to advocate for an improved policy and trade environment, educate shippers on their rights and obligations in import and export trade, interpret government regulations and procedures, and provide a platform for sharing experiences through networking forums, trainings and awareness workshops.

The name change to SCEA was conceived at a strategic planning meeting funded by EATH in 2012. The then KSC wanted to engage policy-makers and industry regulators at a more regional level. While most studies show that 60 percent of the challenges experienced by shippers occur at Kenyan borders, KSC thought that with a regionally focused name, they could better address the region as a whole and start tackling the other 40 percent of problems. In addition to changing their name, SCEA also launched their new East African Directory of Logistics Services, also funded by EATH. More than 80 people, representing shippers in East Africa, attended the SCEA renaming and directory launch event.



Task 2: Provide overarching support for Institutional Capacity Development. EATH determined that there is keen interest on behalf of many of our partners (both grantees and non-grantees) to have access to a number of “best practice” resources that are available either within EATH itself or in a specific technical area. To ensure that EATH's institutional capacity building knowledge is not ‘lost’, and that our institutional partners gain maximum benefit and advantage from the experiences and knowledge that has been accumulated since the inception of EATH program (additionally drawing from prior USAID program experiences such as the RATES program), EATH will develop an online discussion and resource forum for its partners. Importantly, this initiative will provide an on-going and sustainable forum for exchange of best practices, and will replace the original concept of a ‘one-off’ workshop. The online forum is an integral part of EATH's Knowledge Center in its new website design which is described in more detail in PIR 4.0.

USAID/East Africa's Local Capacity Development (LCD) Workshop. In January, EATH participated in USAID/East Africa's LCD workshop, held in Nairobi and sponsored by the East Africa USAID Forward Unit. The workshop brought together USAID staff, partners and

other donors to share best practices and lessons learned, as well as to encourage networking on capacity building in the East Africa region. Several of EATH's key partners participated including ACTIF, EAGC, AFCA, the Agricultural Market Development Trust (AGMARK), FEAFFA and COPE.

ACTIF was featured as an LCD case study on how the regional trade association, with technical assistance from USAID RATES and EATH programs, successfully improved a once disjointed and disconnected regional value chain.

EATH's Cotton and Textile Advisor co-facilitated the capacity development component and shared some of its institutional capacity building work with key partners. This included the success story of AFCA, now ready to be graduated from donor support.

Donor coordination meeting - streamlining transit and border work in East Africa. In Q3, EATH presented a summary of USAID/East Africa's transit and border work to a multi-donor coordination meeting held in Nairobi on June 4, 2013. Presentations were also made by the EAC, World Bank, African Development Bank, Japan International Cooperation Agency, TMEA, and the International Organization on Migration. The aim of these donor coordination meetings is for donors and partners working in the EAC region to better coordinate activities and to keep all other donors up-to-date on activity progress and possible areas for collaboration. The Trade Hub's presentation focused on USAID's support to the roll out of RADDEx 2.0 and the promotion of JBCs at each domestic border post. Both initiatives are aimed to help reduce the time and cost of crossing regional borders. Several of the other donors focused on the progress OSBPs at a number of key borders between Kenya and Uganda and Kenya and Tanzania. JBCs are an important first step of coordination for OSBPs.

Donor coordination with International Organization for Migration (IOM). In June, EATH and IOM collaborated on a series of six assessments to assess and document the health vulnerabilities, as well as the availability, acceptability and accessibility of health services for the different population groups around OSBP. Research sites within the OSBP study include Uganda/Rwanda (Kagitumba-Mirama Hills), Rwanda/Uganda (Gatuna-Katuna), Tanzania/Mozambique (Mtambaswala-Negomano), Tanzania/Zambia (Tunduma-Nakonde), Burundi/Tanzania (Kober-Kabanga), and South Sudan/Uganda (Nimule-Elegu). Results of the rapid assessments were shared with stakeholders and will be incorporated into future planning.

Exploring partnership potential with Safe Way Right Way.

In July 2013, EATH met with Safe Way Right Way (SWRW) at their regional headquarters in Nairobi, Kenya to explore ways to strengthen the strategic partnership between SWRW, KTA and EATH. SWRW is a partnership between the World Bank, through its Global Road Safety Facility, and Total Oil to promote road safety in Africa. Total operates in more than 130 countries and has more than 97,126 employees. EATH and KTA hope to harness SWRW's influence, particularly Total's extensive network, to develop a regular stream of clients for the KTA HCV Driver Development Institute in Mombasa.

Grant Completion Reports

In FY13, EATH had a number of long-term grants that concluded. A synopsis of each follows:

Agricultural Market Development Trust (AGMARK). AGMARK's second grant under EATH, AGM-STA-012-027 for \$212,780, was active from March 1st, 2012 to its conclusion on February 28th, 2013. The AGMARK grant, "*Agro-dealer Trade across Borders (ATAB)*" had the objective of developing sustainable value chains and reducing poverty by increasing the capacity of approximately 60 agro-dealers to serve smallholder farmers and assist in their access to competitive regional grain markets.

The three "core components" of the ATAB grant program were:

- Building the capacity of agro-dealers to trade across borders through trainings;
- Creating linkages between traders and buyers through linkage workshops;
- Advocating for a favorable trading environment across the borders by holding consultative/regional meeting at border points.

ATAB activities were implemented in Uganda, Tanzania, South Sudan, Kenya and Rwanda. The project focused on components aimed at establishing formal long-term business relationships between the traders and the agro-dealers with the objective of developing sustainable value chains and reducing poverty by increasing small-holder farmer's access to competitive regional grain markets.

During the one year ATAB project, AGMARK trained more than 70 agro-dealers (exceeding the grant target of 60) and trained over 7,000 smallholder farmers who supplied grain to the agro-dealers (also exceeding the grant target of 1,750 farmers).

EATH/AGMARK grant strengthened and expanded the network of agro-dealers through training in grain aggregation and bulking, warehouse management, sanitary and phytosanitary standards, grain quality standards, harmonized standards, contractual issues and arbitration, marketing costs and margins, marketing and branding, grain export and import regulations and customs declarations and procedures.

Center for African Women Economic Empowerment (CAWEE). The grant with EATH, CAW-STA-012-026 for \$218,570, was active from April 1st, 2012 until it concluded on March 31st, 2013. The CAWEE grant, "*Connecting 100 Traditional Weavers to the Export Market*", had the objective of providing technical training skills to a group of 100 traditional Ethiopian weavers in order to increase their capacities to produce woven products that were better able to meet the needs of the export market. EATH had identified the growing demand in Ethiopia for hand-woven textile products both in the domestic and international markets but recognized that many of the traditional weavers did not have the level of skills to produce for these high-end markets. The CAWEE grant provided funds for looms and trainers for a selected group of 100 traditional weavers.

In addition to the actual skills training, the CAWEE grant had the objective of facilitating employment opportunities for the trained 100 weavers. CAWEE employed different approaches such as working with trainees to have them placed in women owned and managed companies, working with companies that are preparing themselves for export and required

skilled weavers, trainees organizing themselves in cluster/cooperative/associations or trainees producing on their own and supplying their products to exporting companies.

For the first training of 50 weavers, two companies owned and managed by women and who are already in export, committed to hiring 30 of the graduates with Muya Ethiopia agreeing to employ the remaining 20 graduates from the first training. For the second training, CAWEE tracked interest from thirteen companies who expressed the need to hire more than 70 skilled weavers (from the graduating class of just 50 students) indicating that there is high demand for these trained weavers.

Kyela College of Skills and Technology

(KCoST). A grant, KCT-STA-012-025, for the amount of \$192,450 was active from February 1st, 2012 until its conclusion on February 28th, 2013.

The activity titled, *“Skills Development in Textiles for Rural Income Generation”* delivered training in textile technology, garment and fashion design skills, complemented with entrepreneurial skills for job creation, to 55 young textile trainees, 51 percent of whom were female. The grant funded in-depth curriculum development using the expertise of the faculty from University of Dar es Salaam, which has a MOU with KCoST. Courses

were delivered in two 17-week training sessions with the assistance of the University of Dar es Salaam faculty members, which contributed to the overall high quality of the courses. All 55 students successfully graduated.



Kyela students perfect their skills for employment with large-scale textile manufacturing factories

Part of the technical activity for the KCoST grant involved placing the textile students in a practical working environment as a component of the skills development. This part of the grant proved to be highly valued by both students and faculty members as it allowed for interaction between students and future employers. Three large-scale textile manufacturing factories participated in this grant activity: Sunflag Textile Mill in Arusha, MeTL's 21st Century Textile Mill in Morogoro and MeTL's 21st Century Textile Mill in Tanga.

Subcontract Completion Report

African Trade Insurance Agency (ATI). ATI is a multilateral financial institution providing export credit insurance, political risk insurance, investment insurance and other financial products to help reduce the business risks and costs of doing business in Africa. ATI was launched in 2001 with the financial and technical support of the World Bank and the backing of seven African countries. The company, unlike private insurers, has a development mandate to improve the business climate in COMESA (Common Market for Eastern and Southern Africa) member countries. In less than a decade, ATI has supported over \$2.5 billion worth of trade and investments across the continent, secured an investment grade rating of 'A' from Standard & Poor's, and expanded membership to more than a dozen African countries. Risk mitigating products such as those offered by ATI can facilitate increased trade particularly in African markets that may be perceived as high risk.

With EATH support, a Ksh 13 million subcontract, ATI expanded its operations in Rwanda and Burundi in early 2012. With a local office established and underwriters on the ground,

ATI was able to facilitate a number of trade transactions throughout FY13. ATI provided \$37.5 million insurance cover for two projects in Burundi and \$163.4 million for four projects in Rwanda.

Figure 14. ATI Summary of Ongoing Transactions: 2012/2013

Country	No.	Project	Sector	Transaction Value \$millions	Insurance Cover
Burundi	1	Increasing mobile phone penetration	Telecommunications	20.5	Political risk insurance & terrorism & sabotage cover
	2	Implementation of an infrastructure project	Infrastructure	17.3	Political risk insurance (protecting against the risks of contract frustration and unfair calling of bonds)
Rwanda	1	Distribution of medical equipment by a German supplier to a local hospital	Health	3.1	Political risk insurance (protecting against the risks of contract frustration & unfair calling of an advance payment guarantee)
	2	Protection of the physical structure of a bank against political or terrorist-related facts	Financial Services	31.7	Political violence, terrorism & sabotage
	3	Reinsurance support to a Tunisian export credit agency and an insurer based in the middle East supporting a rural electrification project	Energy	68.6	Reinsurance on commercial and political risks
	4	Support to expand a national carrier's fleet of planes	Transport	60.0	Political risk insurance (protecting against the risk of non-honouring of a sovereign obligation)

Summary of the Partnership Fund for FY 13

EATH has dedicated \$24 million of its funding to a Partnership Fund targeting private sector trade associations and farmer-based organizations to better enable these groups to advocate for policy change, increase market share for their products, and provide services to their membership that will increase the region's competitiveness in targeted value chains.

Under its institutional strengthening strategy, this past year EATH continued to emphasize the building capacity of these partner organizations — including the principal partners EAGC, ACTIF and ACTIF — by working directly with them to develop association strategic plans, financial management systems, and more transparent governance and management systems. The institutional strengthening exercises that the EATH staff carried out took the form of strategic planning workshops and “best practices” training sessions for increasing and improving organizational and administrative capacity.

For many of the nascent organizations that have received grants from EATH, the most critical training was often focused on helping these partner organizations set up and implement transparent financial systems that would support receiving and managing not only EATH funds but other sources of targeted donor funding. EATH conducted CISM assessments on EAGC and ACTIF. This is a baseline institutional assessment of the institutions and it is aimed at establishing the existing organizational capabilities and identifying improvement initiatives that will support the organizations capacity for institutional sustainability.

While this continues to be an ongoing process for most of the EATH partner organizations, in some cases the successes of these partners have led other major donors, including the World Bank, DFID, and Trademark East Africa, to increase their support for these regional organizations. Obtaining this type of non-USAID support for the grantee organizations is a testament to the quality and impact of the capacity building support that EATH regularly offers to its partner organizations.

In FY13, the EATH Partnership Fund awarded approximately \$2.1 million in grants under a “Letter of Credit” (LOC) grants ceiling amount of \$8,568,352.00 in total.

Partnership Fund grant activities for FY13 included:

1. ***Support to RTAs.*** Seven grants in total have been awarded to the EATH-supported EAGC, ACTIF, KTA, AGMARK, FEAFFA, KCoST and CAWEE to support the sustainability process of these RTAs.
2. ***Support to private sector transit associations.*** EATH continued its support to the Federation of East Africa Freight Forwarders to support a number of key transit policy issues for East Africa. Emphasis on capacity building and operational training was placed on the transit associations in FY13. In addition, EATH continued its support to KTA to operationalize of its East Africa HCV driving school which is expected to become a long-term income stream and source of funding for the association.
3. ***Support to smallholder aggregation and regional marketing partners.*** The Partnership Fund phased out grants to smallholder partners that focused activities on implementing the EATH regional staple food strategy. These included grants to AGMARK and Cereal Growers Association.
4. ***Support to regional training institutions.*** During FY13, the Partnership Fund supported two new innovative training activities with a grant to CAWEE and KCoST. Both grant activities are working to increase the technical skills of traditional weavers (Ethiopia) and textile workers (Tanzania) so that they will become more competitive in the workforce.

Also through the Partnership Fund, EATH has awarded a number of subcontracts and service agreements. Some of these non-grant activities are include:

1. ***Support to RTAs.*** A subcontract was awarded to CQI, the research arm of the Specialty Coffee Association of America, to offer technical assistance to the East Africa specialty coffee industry.
2. ***Support to staple foods competitiveness.*** Multiple subcontracts were awarded to regional firms to conduct a series of value chain analytical studies. Firms included Imani

Development International, Agrideveth, Market Economies Development, and Premium Consulting of Uganda.

3. ***Support to financial and insurance sectors.*** Subcontracts were continued with the Africa Trade Insurance Agency.

4.0 Knowledge Management and Information Sharing Increased

EATH aims to expand its impact by ensuring that the benefits and lessons learned from our work on the ground are disseminated to a wide audience. The team has produced a large number of knowledge management products that are now available to our stakeholders through our web-based [Knowledge Center](#) and through targeted distribution. Knowledge management and sharing gives development partners the option to incorporate lessons learned from EATH's experiences and join EATH in its implementation of regional initiatives.

4.1 Knowledge of tools, techniques, and methodologies, developed by EATH and available to USAID, donors and USG partners expanded

Knowledge management and sharing is vital for helping USAID staff, EATH's partners and beneficiaries, and the development community work smarter to accomplish their missions. With knowledge management and sharing, partners have the option to incorporate lessons learned from others' past experiences. These lessons inform future programming and decision making.

Activity 1: Establish a Knowledge Center

EATH's target audiences include USAID regional and bilateral missions, USG agencies, EAC, African regional associations and partner organizations, U.S. and African businesses, and donor organizations. EATH knowledge management products are designed to ensure the sustainability of key regional initiatives, advance USAID's mission, provide options for bilateral mission uptake, and retain institutional memory.

Task 1. Redesign EATH website portal to include a knowledge center showcasing EATH knowledge management products. EATH website, <http://www.eatradehub.org>, now houses a [Knowledge Center](#) portal that provides access to Trade Hub deliverables and associated material that provide the context and rationale for deliverable development, describe interim results during development, and recommend next steps to further increase results and institutionalization.

In FY13, EATH created a number of new knowledge management products to highlight aspects of the Trade Hub program and provide additional resources for the development community. These products have been uploaded to the Knowledge Center.

The Trade Hub fully embraced its name change and new logo in Q3. The website and email addresses have been changed to eatradehub.org. The Knowledge Management Team has also converted all recent Knowledge Management pieces to include the new Trade Hub branding. Communications is

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TRADE HUB

Revenue Authorities Digital Data Exchange (RADDEX) - Customs Technology that Reduces the Cost of Doing Business

What is RADDEX 2.0 - RADDEX 2.0 is a software platform for customs and transit data exchange, management and reporting. The platform allows for real-time transmission of customs documentation to authorized public and private sector users across the five countries of the East African Community (EAC).

How RADDEX Works

Revenue authorities manage various systems with the help of software specialists and officers.

Authorities are linked to each other's systems so that a unified system does not exist in each country.

The Problem - East African businesses are severely hampered by inefficient trade facilitation systems that include transport logistics, administrative cross-border entry and exit procedures and transit regulations.

The Solution - RADDEX 2.0 saves businesses and governments time and money by facilitating efficient cross-border trade and transit through an ICT platform. It shortens cargo processing times and reduces border delays.

The Advantage of an ICT Platform

Trucks and their cargo travel on linear routes from city to city, country to country, as defined by the road network. The efficiency of transporting goods is limited by countless external factors including road conditions, vehicle condition, traffic laws, drivers, fuel capacity and very importantly, border agencies including customs.

In contrast, information traveling via the Internet is blind to such constraints. It does not see countries, roads, cities or borders, can travel globally instantaneously and exists in multiple locations at the same time. It is virtually limitless and unconstrained.

RADDEX ensures that goods in transit are never delayed due to a lack of information or gaps in communication.

RADDEX - Customs Technology that Reduces the Cost of Doing Business

rebranding project materials as existing supplies diminish.

EATH increases awareness of project results through a web-base EATH Knowledge Center. The knowledge center provides four different search avenues:

1. Organized by EATH contract activity areas:
 - a. [Improving trade policy](#)
 - b. [Streamlining transit and cross-border trade](#)
 - c. [Supporting structured trading systems](#)
 - d. [Increasing trade under AGOA](#)
2. Organized by knowledge product topics:
 - a. [Strategies and trade facilitation tools](#)
 - b. [Capacity building](#)
 - c. [ICT solutions](#)
 - d. [Collaboration with EAC](#)
 - e. [EATH progress reports and work plans](#)
3. [Organized by country](#)
4. [Links to latest announcements and Feed the Future updates](#)

EATH's target audiences include USAID regional and bilateral missions, USG agencies, the EAC, African regional associations and partner organizations, U.S. and African businesses, and donor organizations. EATH knowledge management products are designed to ensure the sustainability of key regional initiatives, advance USAID's mission, provide options for bilateral mission uptake, and retain institutional memory.

At the end of FY13, EATH engaged an IT expert to research new website platforms that combine maximum flexibility with content accessibility and sharing. EATH chose to house its new website on Nation Builder and began designing and customizing the back-end structure of a new, more modern website that is intended to carry-over beyond EATH project. EATH is awaiting approval of the new website and will continue to develop outreach and content in FY14.

Task 2. Develop knowledge sharing products. Knowledge management products provide the rationale, context, and impact of project deliverables. They also describe the lessons learned during implementation and recommend next steps to further increase impact and institutionalization. They take different forms, including:

1. Two page briefs for all audiences, but specifically tailored for USAID/EA in its dissemination efforts to bilateral missions. Each brief explains the trade obstacle, how EATH addressed the problem and impacts thus far.

During FY13, EATH produced and regularly updated the following 16 briefs:

- a. [Integrated Border Management/ Joint Border Committees Brief](#)
- b. [RADDEx Brief](#)
- c. [EAC Trade Policy Brief](#)
- d. [EATH's work as the East Africa Trade Hub – A Brief](#)
- e. [Origin Africa Brief](#)
- f. [Regional Harmonized Standards Brief](#)
- g. [RATIN Technical Brief](#)

- h. [Simplified Storage Guide Brief](#)
- i. [Regional Food Balance Sheet Technical Bulletin Brief](#)
- j. [Strengthening the Region's Sanitary and Phytosanitary Systems](#)
- k. [The Benefits of RADDEx](#)
- l. [Trade Hub AGOA Brief](#)
- m. [One Stop Center Brief](#)
- n. [East Africa Trade Hub Fact Sheet](#)
- o. [EAGC Capacity Brief](#)
- p. [EAC Customs Policy Brief Border Operations Assessments – For Stakeholders by Stakeholders](#)

The briefs are written in concise email-ready language— two paragraphs of context – that introduce linked deliverables for quick and easy dissemination by USAID or to specific partner associations, when appropriate.

Figure 15. Mauritius National AGOA Strategy Brief

The USAID East Africa Trade Hub recently released the [Mauritius National AGOA Strategy](#). The strategy supports the ability of Mauritius firms to successfully sell to the U.S. market and leverage the opportunities that the African Growth and Opportunity Act (AGO) provide.

AGO grants preferential U.S. market access to Mauritius and other qualifying African countries. This has played a critical role in spurring Mauritius' exports with the U.S. The textiles and apparel sector grew annually at a steady rate of 5 percent since AGO's adoption in 2000 and leading non-textile/ apparel exports grew annually at as much as 23 percent between 2001 and 2006, with an overall rate of 12 percent since 2001. In effect, AGO has contributed to expand the apparel industry of Mauritius on a scale that the country would unlikely have achieved without preferential access to the U.S. market.

The strategy notes that "AGO's impact on Mauritius' exports has been nothing short of impressive. Mauritius' exports to the U.S. exploded to a growth level of over 400 percent since 2001." The strategy goes on to state that "AGO has enabled the launch of new product lines in the textile sector such as high fashion knits, denim jeans, and children's garments. Given that AGO specifically sought to encourage Africa's movement into the textile and apparel export market, Mauritius' response should be considered a huge success."

The USAID East Africa Trade Hub assists AGO-eligible East African countries to develop action-oriented strategies to more systematically take advantage of AGO opportunities and focus their efforts in areas of competitive advantage. For example, EATH encourages countries to integrate trade facilitation concerns into the national economic agenda and include private sector participation in national export diversification strategies.

To learn more about the USAID East Africa Trade Hub and view additional knowledge management products, visit the [Trade Hub's Knowledge Center](#).

2. 'How-to' guides that detail the process and lessons learned for successful uptake – for all audiences but targeting USAID and donors to better understand opportunities for

replication and development of complementary activities. These guides can take the form of checklists for success, written modules, or low-cost video interviews with key stakeholders to explain the success factors and areas where other interventions were tested and rejected.

In FY13, EATH collaborated with EAGC to publish a *Simplified Storage Guide*. The guide targets small-scale storage operators. It provides practical advice, in an easily digestible format, on how to improve quality, reduce losses and manage stocks. It will help operators deliver valuable services to depositors and help those depositors realize higher prices through the benefits of storage. The Simplified Storage Guide Technical Brief introduces the guide and details the importance of storage. The brief is designed for a USG and donor audience. The guide and brief are further supported by a Warehouse Facility Requirements checklist. The Warehouse Facility Requirements checklist provides storage operators with a simple tool to guide their operating procedures. This suite of storage guide materials is currently available on EATH Knowledge Center.

EATH discussed plans with the USAID INVC Program in Malawi for them to use the newly created EAGC/EATH [Simplified Storage Guide](#). INVC project targets 275,000 farming households. INVC will use the EAGC/EATH *Simplified Storage Guide* to teach storage best practices to both farmers and small and medium storage operators. The goal is to reduce post-harvest losses.

EATH supported the EAC Council of Ministers in drafting and introducing legislation for three technical customs manuals on customs procedures, customs valuation and post-audit clearance. The manuals represent a milestone in EAC customs policy and an important step in moving towards a fully-fledged customs union. To ensure widespread uptake and usage of the manuals, EATH is supporting the EAC in disseminating all three manuals to customs officials at all regional borders, freight forwarding agents, and importers and exporters. EATH also plans to facilitate trainings on the manuals and implementation of their policies and procedures in the coming months.

3. Success stories that provide a general audience information about foreign assistance – how it works and who benefits. They reduce EATH initiatives to a snapshot. In FY13, the following success stories were approved for publication. These and other EATH success stories can be found on EATH Knowledge Center and the USAID/East Africa website.
 - a. [Farming Becomes Business for Rural Rice Farmers- RUDI](#)
 - b. [One Stop Center Maximized Efficiency at Port of Dar es Salaam](#)
 - c. [Traditional Weavers Connect to Export Market](#)
 - d. [Ethiopian Footwear Off to a Running Start](#)
 - e. [Ethiopian Designer Ready to Fly](#)
 - f. [Jiamini = African Cultural Heritage plus U.S. Fashion Knowhow](#)
4. Case studies that provide the context and analysis of lessons learned for specific interventions. Case studies delve deeper into the process of each activity and provide a roadmap for replication.

In FY13, EATH completed –

- a. [Joint Border Committee Malaba Case Study](#)

- b. [Preconditions for a Commodity Exchange, a Comparison between ACE and ZAMACE](#)
 - c. [EATH's work with the African Cotton & Textile Industries Federation \(ACTIF\)EAGC Capacity Development Case Study](#)
5. EATH provides data streams, analysis, and presentation of data and information in chart/graph/pictorial formats in response to requests to inquiries by USAID and other USG agencies.

In FY13, EATH completed-

- a. [Quantifying the Cost of Poor Quality](#)
- b. [RADDEx Technical Demonstration](#)
- c. [Regional Harmonized Standards Process Graphic](#)
- d. [Top 5 Reasons for U.S. Apparel and Textile Buyers to Import from Africa](#)
- e. [Warehouse Facility Requirements Checklist](#)

Task 3. Enhance general outreach through increased targeted communications and use of social media sites. Sole reliance on a website will not accomplish our knowledge sharing goals. EATH makes a concerted effort to drive its target audiences to EATH Knowledge Center through FtF updates, bilateral updates, and newsletters.

We share these links and products through social media announcements ([Facebook](#) and [Twitter](#)), flash emails, technical and EAC conferences, postings in partner blogs and websites, and donor forums. The goal is to connect USAID and partners to timely, relevant and accurate information and to engage USAID bilateral missions for upcoming national implementation of regional initiatives.

In FY13, EATH published twelve [Link Newsletters](#) – one for each month of the year. The newsletters were emailed to a database of 2,300. All newsletters are housed on the Trade Hub website and featured on EATH's Facebook page each month.

Newsletter goals are threefold:

1. Share newsworthy events to increase awareness of EATH activities and share lessons learned. (Almost all stories and event listings include links to additional information)
2. Promote new knowledge management pieces / resources and lead readers to our Knowledge Center
3. Promote upcoming events

In FY13, EATH continued to send FtF updates to inform USAID/EA and Washington of ongoing Trade Hub initiatives. Access current and previous FtF updates on the lower right hand corner of EATH home page: www.eatradehub.org



4.2 Public/private sector awareness campaigns for EATH supported initiatives expanded

In its final year, EATH focused on increasing awareness of its regional interventions among stakeholders who are keen to hear of successes and who, if given the right information, tools and materials can help ensure the sustainability of key initiatives. EATH's target audience includes USAID regional and bilateral missions and projects, national and regional associations and NGOs, development partners and private sector businesses (both U.S. and African).

Activity1: Implement a KMS strategy to reach out to bilateral missions and key partners

Targeting bilateral missions and their local partners to help coordinate the national implementation of regional initiatives is key to EATH's success. As part of EATH's knowledge management and transition push, EATH disseminates materials (e.g. training manuals and awareness/marketing materials, etc.) to targeted audiences for EATH-supported initiatives to ensure consistent content and messaging across the EAC.

For core EATH activities such as the Regional Food Balance Sheet, RATIN, harmonized staple foods quality standards and SPS, EATH disseminates technical bulletins that outline the background and importance of each initiative while highlighting the critical role that bilateral partners play in the long-term success of these programs. See PIR 1.0 and 2.0 above for more detail on technical awareness raising activities and deliverables.

In FY13, EATH collaborated with EAGC to complete a [Simplified Storage Guide](#). The guide targets small-scale storage operators. It provides practical advice, in an easily digestible format, on how to improve quality, reduce losses and manage stocks. It will help operators deliver valuable services to depositors and help those depositors realize higher prices through the benefits of storage. The [Simplified Storage Guide Technical Brief](#) introduces the guide and details the importance of storage. The brief is designed for a USG and donor audience. The guide and brief are further supported by a [Warehouse Facility Requirements](#) checklist. The Warehouse Facility Requirements checklist provides storage operators with a simple tool to guide their operating procedures. This suite of storage guide materials is currently available on EATH Knowledge Center.

In FY13, a large USAID project, Integrating Nutrition in Value Chains, in Malawi committed to using EATH's suite of knowledge management storage products – the *Simplified Storage Guide*, technical brief and warehouse facility requirements - to train the 275,000 farming households with whom they work. INVC's goal is to reduce post-harvest losses and increase farmer income.

In FY13, EATH supported the EAC Council of Ministers to draft and formally legislate three technical customs manuals: customs procedures, customs valuation and post-audit clearance. The manuals represent a milestone in EAC customs policy and an important step in moving towards a fully-fledged customs union. To ensure widespread uptake and usage of the manuals, EATH is supporting the EAC to disseminate all three manuals to customs officials at all regional borders, freight forwarding agents, and importers and exporters. EATH also plans to facilitate trainings on the manuals and implementation of their policies and procedures in the coming months.

<http://www.competeafrica.org/featured-content/ea-trade-hub-launches-regional-s/index.php>

Task 1. Solicit support from bilateral missions. EATH remains in an open dialogue with these missions.

Task 2. Disseminate KMS products for key EATH deliverables. EATH's knowledge management products, specifically its technical bulletins are designed to introduce bilateral missions to EATH regional initiatives – the problem, solution and impact thus far. These bulletins include links to EATH deliverables and awareness materials. During Q3, EATH technical component teams continued to meet regularly with bilateral technical staff to discuss areas of collaboration and disseminate EATH technical bulletins.

Activity 2: Support national and regional level knowledge-sharing events tied to EATH-supported initiatives

EATH works closely with bilateral missions to identify stakeholders and local partners to drive national adoption of region initiatives. EATH coordinates with regional partners such as the EAC and regional trade associations to hold workshops and events at the national level to inform stakeholders of newly adopted regional reforms and steps required to ensure wide acceptance and adoption.

In FY 13, EATH participated in several donor-coordination meetings (captured above). EATH disseminated copious knowledge management pieces at these events.

Task 1. Coordinate targeted subject-driven forums at national level. On May 8, 2013, EATH joined USAID and the U.S. State Department at the U.S. Embassy in Nairobi for the official launch of the AWEK Kenya Chapter. A short video of the event is available [here](#). EATH provided several informational pieces for the event including fact sheets on EATH and its [work with AGOA](#) and several success stories featuring African women entrepreneurs: [Savvy African Entrepreneur Takes on U.S. Market](#), [Traditional Weavers Connect to Export Market](#) and [Indego Africa](#). EATH also distributed these informational pieces at the Origin Africa Designer Showcase on August 12, 2013 in Addis Ababa, Ethiopia.

Task 2. Coordinate regional forums to ensure adoption of EATH-supported initiatives. As described in the technical sections above, EATH convenes policy workshops necessary for regional integration and provides advisory services in the form of policy papers, research, and strategy. Examples of EATH trade policy initiatives include harmonizing regional food standards, the licensing of clearing agents to encourage professionalism in freight forwarding, and a Simplified Certificate of Origin (SCO) that reduces duties for small traders.

EATH continues to work with the EAC through their policy formulation process. Although this process can be lengthy and bureaucratic, it is absolutely essential to follow the formal steps for getting regional reform adopted and gazetted. Specific interventions are explained in greater detail under each result.

In FY 2013, EATH convened stakeholder meetings on the Regional Food Balance Sheet and harmonized standards. Meetings included awareness materials to drive uptake at a bilateral level. See PIR 1.3 for additional information. East African Standards Committee Technical

Management Board reviewed and approved EATH's harmonized standards awareness materials which EATH will distribute to bilateral missions and industry-wide stakeholders.

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Summary of EATH's Budget and Expenditures

EATH is a Times and Material Task Order (TO) under the Global Business, Trade and Investment (GBTI II) Indefinite Quantity Contract (IQC). EATH has been funded to date at \$69,710,782 covering the period from March 1, 2009-February 28, 2014. The contract has a total estimated ceiling (TEC) of US \$78,858,179.

During FY 13, EATH expended US \$12,959,036. This figure includes an additional \$500,000 in incremental funding provided by USAID Washington and transferred to the Chemonics contract to cover the costs of our support to the RRA under the Partnership for Trade Facilitation.

A breakdown of expenditures by the three contract-stated components is shown in Annex 1. As many of EATH activities are closely interrelated, this breakdown assumes synergies among and between all project components. Component 1 is focused on our work under IR 1.1: Policy and Regulatory Environment for Trade Improved and PIR 1.2: Barriers to Cross Border Trade and Transit Reduced. Component 2 is focused on agricultural activities under Feed the Future which is captured under PIR 1.3: Structured Trade for Selected Commodities Developed. Component 3 is related to our work supporting exports under AGOA. This work is captured under PIR 2: Trade between the US and ECA increased. Our Knowledge Management, capacity building and Partnership Fund grant and technical assistance expenditures are captured within each of the three components. During FY13, EATH awarded approximately US \$ 2.1 million in Partnership Fund grants aimed at building capacity of our local partners. EATH has awarded approximately US \$ 8.5 million in Partnership Fund grants to date.

Annex 1. Budget Summary

Category	Projected Component 1 Reducing Barriers to Trade	Actuals Component 1 Reducing Barriers to Trade	Projected Component 2 Value Chain Development	Actuals Component 2 Value Chain Development	Projected Component 3 ECA Trade Hub	Actuals Component 3 ECA Trade Hub	Projected Total Year 4	Actuals Total Billed To Date
	Year 5	Oct 2012- Sept 2013	Year 5	Oct 2012- Sept 2013	Year 5	Oct 2012- Sept 2013	Year 5	Oct 2012- Sept 2013
WDO								
LT Expats	\$395,219	223,534	\$576,638	498,541	\$832,050	869,739	\$1,803,907	1,591,813
LT TCN	\$42,308	56,255	\$308,519	292,075	\$14,889	16,775	\$365,716	365,104
LT Local	\$162,890	233,421	\$366,626	353,385	\$55,345	63,436	\$584,861	650,241
STTA	\$310,470	273,025	\$365,693	508,156	\$335,055	313,474	\$1,011,218	1,094,655
Home Office	\$23,619	19,658	\$36,741	30,579	\$27,119	22,570	\$87,479	72,808
Multiplier	\$596,231	820,522	\$927,470	1,276,368	\$684,561	942,081	\$2,208,262	3,038,970
TOTAL Work Days Ordered	\$1,530,738	1,626,415	\$2,581,688	2,959,103	\$1,949,019	2,228,073	\$6,061,445	6,813,591
Materials								
Local Support	\$21,364	26,811	\$33,233	41,707	\$24,529	30,783	\$79,127	99,301
Fringe	\$96,776	189,118	\$150,541	294,184	\$111,113	217,135	\$358,431	700,437
Travel and Transportation	\$217,460	108,362	\$338,271	168,563	\$249,676	124,416	\$805,408	401,341
Allowances	\$222,002	263,276	\$345,337	409,540	\$254,891	302,280	\$822,230	975,096
Other direct costs	\$102,918	112,757	\$160,095	175,399	\$118,165	129,462	\$381,178	417,618
Equipment, Vehicles, and Freight	\$33,649	30,950	\$52,343	48,144	\$38,634	35,535	\$124,625	114,629
Training	\$424,879	343,461	\$651,837	534,273	\$487,825	394,344	\$1,564,541	1,272,078
Subs Materials	\$191,203	203,151	\$297,426	316,013	\$219,529	233,248	\$708,158	752,411
Partnership Fund Grants	\$367,708	314,369	\$395,014	489,018	\$291,558	360,942	\$1,054,280	1,164,329
G&A	\$81,391	67,015	\$126,608	104,246	\$93,449	76,943	\$301,448	248,204
TOTAL Materials	\$1,759,350	1,659,270	\$2,550,705	2,581,087	\$1,889,370	1,905,088	\$6,199,425	6,145,445
GRAND TOTAL	\$3,290,088	3,285,685	\$5,132,393	5,540,190	\$3,838,389	4,133,161	\$12,260,870	12,959,036

Annex 2. Work Plan Gantt Chart

PIR 1.0 National and Regional Markets Better Integrated														
1.1: Policy and Regulatory Environment for Trade Improved														
Activity/task				QTR I 2013			QTR II 2013			QTR III 2013			QTR IV 2013	
No.	Description	Output	C	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
1.0	Work with regional institutions to improve cross border trade and transit policy													
1.1	Develop and Launch RADDEx 2.0	* Regional reports prepared and tested * Reports piloted												
1.1.1	Test and pilot RADDEx 2.0	* Training plan												
1.1.2	Train trainers, customs officials and private sector (clearing and forwarding)	* ToT report												
1.1.3	Launch RADDEx 2.0	* National reports												
1.2	Support EEAFA on key policy initiatives	* Three policy papers prepared * EEAFA Board resolutions adopting the policy papers												
1.2.1	Develop policy paper on amendment to EAC Customs Management Act													
1.2.2	Develop policy paper on mutual recognition of clearing agents' licenses across the EAC													
1.2.5	Develop policy paper for self-regulation of regional C&F agent industry													
1.3	Improve operations of the EAC Trade Helpdesk	* EAC trade help desk fully functional												
1.3.1	Support EAC to send instruments for trade regulatory requirements to EAC Partner States													
1.3.2	Support EAC Partner States to upload trade regulatory data													
1.3.3	Launch EAC Trade Helpdesk													
1.3.4	Conduct training and promote awareness of EAC Trade Helpdesk (RW/BU, KE, TZ, UG)													
2.0	Work with regional institutions to improve policies that affect value chains and food security													
2.1	Support the EAC to develop a Food Security and Nutrition Policy	* Meeting facilitated												
2.1.1	Facilitate EAC-USAID/EA consultative sessions for FSNP development													

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[illegible]

Annex 3. Success Stories



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SNAPSHOT One Stop Center Maximizes Efficiency at Port of Dar es Salaam

Diminished dwell time enhances ease of doing business.



Photo: USAID COMPETE

The first step in the One Stop Center – freight forwarders present their paperwork to the registry.

"We used to clear the paperwork of around 25 agents a day. We now clear more than 100."

—Robert Soko
*Senior Commercial Officer Tanzania
Port Authority*

Charles Majura used to spend days speeding through the congested streets of Dar es Salaam on his motorbike collecting stamps from various government offices spread around town. Even when he found the proper office, he couldn't be confident that the government officer would be there. Failure to collect the proper stamps cost freight forwarders like Majura time. That time translates to lost money for East African businesses, congestion for the Tanzania Port Authority (TPA) and lost revenue for the government of Tanzania.

In June 2012, the One Stop Center (OSC), a United States Agency for International Development/East Africa (USAID/EA) supported initiative, put an end to Majura's endless tours through town. Now, instead of spending several days to clear cargo at the Dar es Salaam Port, Majura finishes his paperwork within hours.

The OSC ensures that all ten necessary government agencies are present and ready to execute their duties. One such agency is represented by David Nyangwe, a sixteen-year veteran officer for the Ministry of Livestock and Fisheries Development. He sums up the new process, "It's been simplified."

Freight forwarder Lilian Luanda is thrilled that "the OSC has reduced excessive movements" and says that she is "friendly with government agents for the first time."

The OSC is an example of the soft infrastructure that the USAID/EA Competitiveness and Trade Expansion (COMPETE) Trade Hub accomplishes. The Trade Hub works with the public and private sector to build relationships and human capacity that streamline operations and make routine procedures more efficient. With minimal hard infrastructure investment (USAID contributed USD \$50,000 to equip the OSC) the Trade Hub and its partners improved trade at a crucial entry and exit point for all goods travelling from Tanzania west to Rwanda and the Democratic Republic of Congo, and south through Zambia and Malawi.

The OSC does more than expedite paperwork. It also reduces corruption and encourages collaboration. Its small office

promotes transparency and proximity makes communication easy. Waheed Saudin, Executive Councilor of the Tanzania Freight Forwarders Association, notes that, "The level of corruption has gone down tremendously. They all see what each other are doing." Saudin also mentions that more freight forwarders now use formal channels because it is easier. Senior Commercial Officer of TPA Robert Soko agrees. "We used to clear the paperwork of around 25 agents a day. We now clear more than 100."

The OSC has reduced congestion at the Port of Dar es Salaam through greater efficiency. Freight forwarders are happier and both the private and public sector of Tanzania have increased revenues. To further the impact of the OSC and continue improved transparency, the Trade Hub created a procedure manual for the port. In addition to being able to find the government agents they need, businesses now have a guide to the paperwork and costs associated with clearing cargo at the Port of Dar es Salaam.

The OSC is one example of how USAID/EA is working to streamline trade regulations and enhance the ease of doing business in East Africa.



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SNAPSHOT

Farming Becomes Business for Rural Rice Producers

Rural Tanzanian Rice Farmers Leverage Investment to Succeed



Photo: USAID COMPETE

RUDI farmers show-off their new milling machine and "Udzungwa Quality Rice" branded bag of rice.

After the processing machines began running, farmers' revenue grew sevenfold.

"Our dream is to sell rice, not paddy, and thanks to USAID COMPETE and RUDI, our dream has come true.

*--Mama Theresa,
Mkasu chairperson*

The mission of Rural-Urban Development Initiative (RUDI), a Tanzanian non-governmental organization, has been to help smallholder rice farmers in central Tanzania increase profits through better farming and increased access to markets.

In 2009, RUDI approached the USAID Competiveness and Trade Expansion (COMPETE) Trade Hub with a grant proposal for training, improved storage facilities, access to finance, collective marketing, and high quality machines to process rice.

RUDI farmers had been selling unprocessed rice ("paddy") for an average of U.S. 15 cents a kilogram. Yet when well milled, the same rice can fetch up to \$1.10 per kilo in East Africa.

After the milling machines began running, farmers' revenue grew sevenfold. Idodi Farmer Association secretary, Jane Katibu, sums it up well: "The machine has liberated our farmers, and is helping them get out of poverty."

RUDI farmers have branded their milled rice "Udzungwa Quality Rice" named for the stunning mountains that span the production area. Their goal is to market "Udzungwa Quality Rice" to large traders – sending their rice to the shelves of the largest supermarkets in Nairobi, Kenya and Dar es Salaam, Tanzania, responding to a growing demand among East African consumers.

After only four months of operation a RUDI farmers association, *Mang'ula A*, made \$3,150 USD in net profit for their 32 shareholders, demonstrating significant earnings in a country where the estimated average farmer's net profit is \$65 USD annually.

Mang'ula A's success has gained the attention of other development partners, and the association has become a learning center. The Tanzania Warehouse Licensing Board signed a contract to expand the *Mang'ula A* warehouse; the African Development Foundation (ADF) and Center for Sustainable Development Initiatives (CSDI) developed a program to install industrial driers. The association now receives daily visitors keen to learn about rice processing.

RUDI farmers are reinvesting their earnings. They are creating more warehouse storage, buying industrial driers, and promoting a brand that stands for quality and the beauty of Tanzania. For RUDI associations, farming has become a viable business.



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SNAPSHOT

Ethiopian Footwear off to a Running Start

Value of footwear exports through AGOA increased tenfold in one year



Photo: USAID East Africa Trade Hub

Tikur Abbay employee constructs a shoe for U.S. retailer Bass

Exporting through AGOA “enhances our experience, helps us to specialize and improves our reputation.”

— Yelet Sesay, Tikur Abbay Marketing and Sales Manager

Because of its fine leather and commitment to top quality, Ethiopia has recently become a magnet for international retailers seeking high-end shoes.

Ethiopian shoe companies offer it all — fine-dress, casual, and sport footwear.

Between 2011 and 2012, Ethiopian shoe exports through the African Growth and Opportunity Act (AGOA) increased more than tenfold—from US \$630,000 to nearly US \$7 million.

The USAID East Africa Trade Hub began working in Ethiopian footwear in 2012. In just over a year, they facilitated over US \$1.5 million in sales to the U.S. The Trade Hub accomplished this through a combination of technical assistance, such as trainings on how to meet the technical specifications required by U.S. companies, and market connections facilitated by AGOA.

In early 2013, the Ethiopian Leather Industries Association (ELIA) partnered with the Trade Hub to showcase their top-quality shoes at the MAGIC Sourcing Show in Las Vegas. Positioned in the Trade Hub’s Origin Africa booth, ELIA members met over 50 potential clients. The multi-billion-dollar retailer Gap is now interested; so are Orvis and Skechers Footwear. Harbor Imports is already on board, currently sourcing over \$80,000 a month in exports from Peacock Footwear, an ELIA member.

Tikur Abbay, another ELIA member, is a thriving Ethiopian footwear company focusing mostly on the regional market — military shoes for Uganda, South Sudan and Rwanda. Still, Marketing and Sales Manager Yelet Sesay says that exporting through AGOA is important to their business since it represents steady, high-volume trade.

Tikur Abbay is currently exporting to the large shoe retailer, Bass.

“It [export through AGOA] enhances our experience, helps us to specialize and improves our reputation,” Sesay says.

Export demand drives the need for more workers –which in turn increases wages. The average salary for a Tikur Abbay factory worker is US \$80 a month -- twice the pay of other local shoe companies. Tikur Abbay also provides transportation and medical care.

“Footwear in Ethiopia has huge potential –the value per pair of Ethiopia shoes is high,” says Ethiopian footwear industry expert, Tewodros Wossenyeleh.

The Trade Hub couldn’t agree more. Look for Ethiopian Footwear at the next MAGIC trade show. The Trade Hub’s Origin Africa booth will have the shoes proudly on display.



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FROM THE AMERICAN PEOPLE

SNAPSHOT

Ethiopian Designer Ready to Fly

USAID supports Ethiopian designer to succeed in international fashion market



Photo: USAID East Africa Trade Hub

Fikirte Addis accepts first prize in the Origin Africa Fiber to Fashion Designer Showcase in Mauritius, March 2011.

“Designer Fikirte Addis is taking the fashion world by storm; her 2013 collection “*Timeless Girl, Modern World*” is shining bright this summer.”

-- Zen Magazine

“This is just the beginning,” says Fikirte. She credits the Trade Hub for the opportunity, training and exposure.

Ethiopian designer Fikirte Addis “feels like she is ready to fly.” A one-time child psychologist with a passion for design, Fikirte took a risk in 2009 by launching her own fashion brand. Since then, she has won the Origin Africa Fiber to Fashion Designer Showcase in Mauritius, has received standing ovations in New York and has joined the ethical fashion scene in Paris. In the words of fashion-focused Zen Magazine, “Designer Fikirte Addis is taking the fashion world by storm; her 2013 collection *Timeless Girl, Modern World* is shining bright this summer.”

The USAID East Africa Trade Hub “discovered” Fikirte in 2010, shortly after she launched her brand that offers a “cultural touch for the modern-day woman.” Fikirte uses local fabrics and traditional Ethiopian weavers. She’s proud of Ethiopian culture and committed to strengthening the skill set of her weavers and providing them with consistent, well-paid work.

Exporting to the United States through the African Growth and Opportunity Act (AGOA) provides the demand she needs to meet her commitment.

USAID’s East Africa Trade Hub helped Fikirte by connecting her with an experienced AGOA exporter—Wambui Njogu—and sponsoring her for fashion shows hosting U.S. and international buyers. Like Fikirte, Wambui is a savvy business woman who has already adapted her product for an international market— who better to mentor Fikirte?

“Fikirte recognized the potential of the existing ‘old world’ weaving industry in Ethiopia and knew how to produce something sophisticated and special from the authentic traditional fabrics,” said Wambui. “Fikirte’s materials are timeless but the modernity of her garments means they can be appreciated outside of her traditional markets, as summarized by her aptly named current collection, ‘timeless women, modern world’.”

Fikirte credits Wambui with helping her “create story lines and sketches” for her designs and prepare for her first African-wide fashion show – the Trade Hub sponsored Origin Africa Fiber to Fashion Designer Showcase in Mauritius in March 2011.

Fikirte’s first-place finish at the Mauritius event secured her entry to African Fashion Week in New York. New York led to Paris in 2012 and an alliance with Adiat Disu, a spokesperson for African fashion. Fikirte is now featured on Disu’s site adiree.com.

Fikirte also has her own site: yefikirdesign.com, her own Facebook book page <https://www.facebook.com/YefikirDesign> with over 6,000 views of her most recent fashion shoot, and a platform for online shopping. She’s moved from customized pieces to ready-to-wear fashion intended for the global export market.

In 2013 she trained 135 weavers to cut hand-spun Ethiopian cotton for optimal comfort and to add embroidery for maximum fashion. Fikirte, who is tiny, also says she is getting more size conscious. Her pieces no longer only fit the Ethiopian models who walk the runways of New York Fashion Week.

Fikirte credits the Trade Hub for the opportunity, training and exposure. “This is just the beginning,” she says.



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SNAPSHOT

***Jiamini* = African Cultural Heritage plus U.S. Fashion Knowhow**

Katchy Kollections capitalizes on AGOA and USAID technical assistance



Photo: Katchy Kollections

Women weavers in Kitui, Kenya constructing baskets destined for Walmart.

“We face many of the same challenges as women entrepreneurs. We can learn a lot from each other.”

— Jennifer Mulli, Director, Katchy Kollections

Katchy Kollections Director Jennifer Mulli desires global recognition for her brand – *Jiamini* – Kiswahili for “believe in yourself.” It’s a bold goal for someone who has only been in business for three years. But given her current trajectory, Mulli may very well succeed.

Mulli’s family-run Kenyan business sells clothing and accessories inspired by “a deep affection for its African cultural heritage and wealth of design possibilities influenced by the Western fashion scene.” They specialize in detailing their products with high-quality beading.

USAID/ East Africa’s Trade Hub started providing technical assistance in design and marketing to Katchy in January 2011. “The Trade Hub helped us refine our colors, design and quality for a U.S. market,” says Mulli.

At the time, Katchy had one small client in the United States with an order for 200 sandals. Now Katchy is part of the Full Circle Exchange, a non-profit social enterprise brand dedicated to empowering women through design partnerships. Katchy met Full Circle Exchange through another Trade Hub beneficiary, Gahaya Links.

In the first six months of 2013, Katchy sold \$20,000 worth of products to Walmart through Full Circle Exchange. They are expecting to sell more to Macy’s by Christmas.

Katchy moved to Kenya’s Export Processing Zone in June 2013, doubling the firm’s staff to 50 and quadrupling their sewing machines to 40. Mulli hopes this is just the beginning. She named her brand *Jiamini* because she wants the socially disadvantaged women that she works with to believe in themselves and be proud of the products they create.

The U.S. market provides the consistent demand that Mulli is looking for; and, through the African Growth and

Opportunity Act (AGOA), Katchy can take advantage of duty-free exports.

In May 2013, the U.S. State Department and USAID launched the Kenya chapter of the African Women Entrepreneurship Program (AWEP), which promotes business growth and trade, and encourages African women entrepreneurs to strengthen their communities. Mulli is a passionate member.

“We face many of the same challenges as women entrepreneurs. We can learn a lot from each other.”

Since 2009, the Trade Hub has facilitated over \$125 million in exports to the United States through AGOA, assisting more than 200 firms to enter or expand in the U.S. market.



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SNAPSHOT

Traditional Weavers Connect with Export Market

100 traditional Ethiopian weavers improve livelihoods and product for export



Photo: USAID COMPETE

Traditional weavers now produce scarves that sell for as much as \$175 on the U.S. retail market.

"With this women-led initiative, Ethiopian companies can meet the growing U.S. demand for high-quality, traditionally-made Ethiopian crafts. Everyone benefits – U.S. customers, Ethiopian business owners, and traditional weavers." -- U.S. Ambassador Donald Booth.

Selamawit Teklu lives on the outskirts of Addis Ababa, Ethiopia in a town known for the high numbers of traditional weavers from southern Ethiopia settling there. Traditional weavers are respected for their skills and tradition, yet Selamawit and her neighbors are viewed as social outcasts with little upward mobility. They work from home to produce traditional Ethiopian wraps called *gabis*, which they sell to the local market through a series of middlemen.

In February 2013, a USAID-supported program changed the prospects of 100 women including Selamawit. Implemented by the Center for African Women Economic Empowerment (CAWEE) and the USAID Competitiveness and Trade Expansion (COMPETE) Trade Hub, the effort readied these weavers to produce for export.

"We take the skills they already possess and raise them to the next level," says Tadesse Mekuria, a CAWEE trainer. Trainees learned new methods, developed new patterns and color combinations, and generally raised the quality of their products.

CAWEE estimates that by producing pieces for export, traditional weavers can raise their income by as much as 75 percent.

Export companies say they are grateful for the program. "Getting trained and skilled weavers is instrumental for exporting companies to be able to continuously supply to the export market and meet demands of international buyers," said Sara Abera, owner of Sara Garment Designers and Manufacturers (SGDM) and Muya Abyssinian Crafts.

Selamit says the skills training changed her life. She joined the export company Muya Abyssinian Crafts as a professional weaver. "I see myself continuing in this line of work...trading on a higher path that will lead me to interact with global entrepreneurs."

All 50 of the first class of CAWEE trainees found placement in export-focused companies, 90 percent of which are owned and

managed by women. CAWEE expects similar placement for the next class of 50.

Trainings have also produced a multiplier effect. Selamawit has already taught her younger brother the skills she learned, and export-driven companies like SGDM and Muya Abyssinian are expanding – increasing the demand for trained weavers and solidifying Ethiopia’s status as a producer of fine crafts and textiles.

U.S. Ambassador Donald Booth summed up the program: “With this women-led initiative, Ethiopian companies can meet the growing U.S. demand for high-quality, traditionally-made Ethiopian crafts. Everyone benefits – U.S. customers, Ethiopian business owners, and traditional weavers.”

The USAID/EA Trade Hub supports projects like “Connecting 100 Traditional Weavers to the Export Market” through its \$20 million Partnership Fund, a grants program designed to identify and support leading regional trade associations and innovative organizations in export markets. The Trade Hub also provides technical assistance to African firms and governments to enhance their competitiveness in global markets and help African businesses take advantage of trade opportunities available under the African Growth and Opportunity Act (AGOA). Since 2009, the Trade Hub has facilitated over \$100 million in exports to the U.S. through AGOA and has assisted more than 200 firms to grow their export business and gain market access or expand in the U.S.

